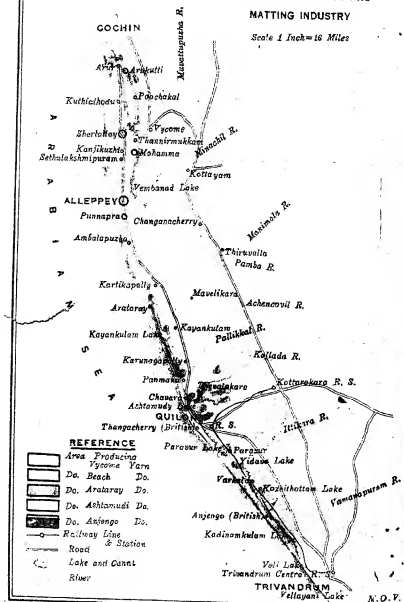


MAP SHOWING COIR YARN PRODUCTION AND CENTRES OF MATS AND MATTING INDUSTRY

Scale 1 Inch = 16 Miles



4695
REPORT OF THE BOARD OF CON-
CILIATION OF TRADE DISPUTES IN
THE MATS AND MATTING INDUSTRY.



TRIVANDRUM :
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INTRODUCTORY.

1. *Appointment of the Board.*

The circumstances that led to the appointment of the Board are stated in the Government order as follows:—

“Labour conditions in factory industries in Alleppey have been engaging the attention of Government for some time past. In the meanwhile, in their letter dated the 23rd February, 1938, Messrs. William Goodacre & Sons brought to the notice of Government the possibility of a general strike at Alleppey under the auspices of the Travancore Labour Association as a means of ventilating their grievances and a Government enquiry was suggested with reference to the allegations made by the Labour Association. Government accordingly directed Mr. Chandy, then District Magistrate at Quilon, to conduct an enquiry into the grievances alleged by the factory labourers. The District Magistrate conducted the necessary enquiries, received an elaborate memorandum from the Labour Association enumerating their grievances and suggesting remedies, and also replies thereto from the principal employers like the Travancore and Alleppey Chambers of Commerce and finally submitted his report on the 14th September 1938.

As a result of this preliminary enquiry Government were satisfied of the necessity for appointing a committee to enquire into the labour conditions prevailing in the factories at Alleppey. They accordingly appointed a committee of enquiry to consist of Mr. K. N. Govindan, the present District Magistrate, Quilon, and two representatives each of the employers and labourers.

The Trade Disputes Act V of 1114 has since come into force with effect from the 25th October 1938, and Government feel that it would be the most effective and appropriate procedure to order a full judicial enquiry into the matter under the provisions of this Act by a Board of Conciliation as contemplated in Section 3 (b) of the Act. Government are, therefore, pleased to appoint a Board of Conciliation under Section 6 (2) of the Act”.

2. *Composition of the Board.*

The Board consisted of:—

- (1) Mr. K. George, B. A., Land Revenue and Income-tax Commissioner, on special duty—*Chairman.*
- (2) Mr. N. G. Haydon, nominated by the Travancore Chamber of Commerce, to represent employers.

- (3) Mr. N. Sankara Mannar, B. A., nominated by the Alleppey Chamber of Commerce, to represent employers.
- (4) Mr. P. N. Krishna Pillai, B. A., B. L., nominated by the Travancore Coir Factory Workers' Union, to represent labourers.
- (5) Mr. V. K. Achuthan, nominated by the Travancore Coir Factory Workers' Union, to represent labourers.

About three months after the commencement of work, Mr. Haydon had to go home on leave and so he resigned his membership of the Board, with effect from the 6th April 1938 and in his place, Government appointed Mr. H. Smith, nominated by the Travancore Chamber of Commerce, to represent employers in the vacancy.

The appointment of the Board was duly notified in the Government Gazette, under date the 28th November 1938.

3. *Terms of reference.*

The Board was directed to enquire into the labour conditions prevailing in the factories at Alleppey with particular reference to the following and other points mentioned in the Memorandum presented by the Travancore Labour Association to the District Magistrate, Quilon, in connection with the enquiry conducted by him, *viz.*,

- (i) Standardisation of wages;
- (ii) The question of payment in kind, *viz.*, the truck system; and
- (iii) Imposing restrictions on the establishment of factories with a view to avoid mushroom factories with no capital springing up and prejudicially affecting both employers and labourers; and to submit a report to Government with suitable recommendations for the removal of the grievances of labourers, on the lines indicated in Section 7 of the Trade Disputes Act.

4. *The points of dispute.*

According to the terms of reference, the points of dispute for enquiry are those set forth in the Memorandum presented to the District Magistrate, Quilon, by the Travancore Labour Association (subsequently registered under the Travancore Trade Unions Act as the Travancore Coir Factory Workers' Union). The points of dispute mentioned in the Memorandum were the following:—

1. *Reduction of wages.*

- (i) That for the last fifteen years, reduction of wages has been steadily going on.
- (ii) That the employers refuse to raise wages to a level

adequate to meet the primary requirements of the workers.

2. *Payment of wages.*

(i) That payment of wages in kind prevails in the industry mostly in the mofussil factories.

(ii) That in many factories, wages are not paid at regular intervals.

3. *Indirect reduction of wages.*

(i) That the system of contract work exists generally in the industry, resulting in the reduction of wages.

(ii) That the town factories execute orders by getting the work done cheaply in the mofussil factories, thereby generally reducing wages.

4. *Fines.* That heavy and unjust fines are imposed by employers, moopans and other subordinates.

5. *Exactions.* That various exactions are made from the workers by some employers, moopans and other subordinates.

6. *Dangerous or injurious processes of work.* That some processes of work are either dangerous or injurious and that in many factories no protection is afforded against them.

7. *Unsatisfactory health conditions.* That in most factories good drinking water is not available, no latrines are provided, the labourers have to work under heated zinc sheet roofs, there is no proper ventilation, and the buildings and looms contravene the provisions of the Factories Act.

8. *Labour representation on the legislature.* That labour is not adequately represented on the legislature.

9. *Remedies proposed.*

(i) That the scope and meaning of the term 'factory' as defined in the Factories Act should be extended.

(ii) That wages should be fixed on a daily or monthly wage basis, instead of on the present piece-work basis.

(iii) That wages should be standardised, i. e., the same type of work should be paid the same rate of wages throughout the industry.

(iv) That wage boards consisting of the representatives of employers and employees should be created.

(v) That a Payment of Wages Act should be passed.

(vi) That maternity benefits should be provided for women employees.

(vii) That provision should be made for the education of working class children in the industry.

(viii) That unemployment insurance should be provided for.

(ix) That a standing committee should be created to enquire into trade disputes.

(x) That a Labour Department or the post of a Labour Commissioner should be created.

(xi) That the employers should recognise the Coir Factory Workers' Union.

5. *The scope of enquiry.*

The terms of reference to the Board, as laid down in the Government Order appointing the Board, appeared to restrict the enquiry of the Board to 'the labour conditions prevailing in the factories in Alleppey.' At the preliminary sitting of the Board held on the 3rd December 1938, the first point that was brought up for discussion was whether the enquiry should be confined to the coir mats and matting factories in Alleppey as appeared to be contemplated in the Government Order or whether the enquiry should cover the whole of the mats and matting industry in Travancore. The Board was of opinion that, as at least 50 per cent of the mats and matting industry was conducted outside Alleppey town, the enquiry, to be useful, should cover the whole of the mats and matting industry, including the re-hanking and baling of coir yarn. The Board, therefore, resolved to request Government to arrange for the terms of reference to the Board to be modified accordingly. In G. O. R. O. C. No. 9811/38/Devpt., dated the 14th December, 1938, Government extended the scope of the Board's enquiry, by modifying the terms of reference as follows :—

'The Board will enquire into labour conditions prevailing in the whole of the coir mats and matting industry in Travancore, including re-hanking and baling of coir yarn with particular reference to etc., etc.'

6. *Procedure.*

Under Section 7 of the Act, the Board's duty is to endeavour to bring about a settlement of the dispute referred to it. For this purpose, the Board is empowered to investigate, in such manner as it thinks fit, the dispute and all matters affecting the merits thereof and the right settlement thereof, and, in doing so, the Board may do all such things as it thinks fit for inducing the parties to come to a fair and amicable settlement of the dispute.

As stated in para 4 above, the points of dispute are those set forth in the Memorandum of the Labour Association, (the Travancore Coir Factory Workers' Union.)

One party to the dispute, therefore, was evidently the Travancore Coir Factory Workers' Union. With regard to the other party, the Board found itself confronted with the difficulty that there were a large number of factories, nearly 300 in number, to which the dispute referred and so, it was obviously

impossible to settle the matters in dispute with each and every factory owner or employer in the mats and matting industry.

The Board, therefore, decided to direct the Travancore Coir Factory Workers' Union to confine themselves to a few factories, as typical of the mats and matting factories in general, and to submit to the Board definite statements of their case against each such factory, as provided for in Rule 13 of the Travancore Trade Disputes Rules. Accordingly, the Union submitted to the Board, on 8-2-1939, advance copies of the statement of their cases against 12 factories. Copies of the 12 statements of cases were duly forwarded by the Board to the respective factory owners in order to enable them to prepare their counter-statements for submission to the Board.

At the first sitting of the Board, held on 16-2-1939, two representatives of the Travancore Coir Factory Workers' Union formally filed before the Board their cases against the following 12 factories: -

1. Messrs Darragh Smail & Co., Ltd., Alleppey.
2. " Aspinwall & Co., Ltd., Do.
3. " Coir Floor Furnishing Co., Do.
4. " K. S. Gangadhara Iyer & Co., Do.
5. " M. P. Appachan, Kalarcode, Do.
6. " Charankattu Coir Manufacturing Co., Shertallay.
7. " Mohan Das Coir Works, (Mr. V. K. Kesavan's) Shertallay.
8. " Thottappallil Krishnan, Cheruvaram, Than-nirmukkom.
9. " Jacob Koopli, Kaipuram, Muhamma.
10. " Vathiad Coir Factory, (Mr. A. Sankunny's), Shertallay.
11. " Cocoa Carpet and Rug Manufacturing Co., Shertallay.
12. " C. George Peter, Ezhuvinna, Kuthiathode.

Of the above 12 factories, the statements of cases against Nos. 6, 7, 9 and 10 were subsequently withdrawn by the complainants, the remaining eight being considered to be sufficiently representative of the town and district factories. Here we should emphasise that the charges made against the eight different factories are to be considered virtually as general charges against the whole industry and that, for this reason, selections were made from the following groups:-

Alleppey town factories:

Indian controlled	...	2.
European controlled	...	2.

District factories:

Indian controlled	...	4.
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For the hearing of the 8 cases, the Board held 10 sittings between the 16th February, 1939 and 10th March, 1939.

The following factories were visited by the Chairman and labour representatives on the Board.

1. Messrs William Goodacre & Sons Ltd., Alleppey.
2. „ V. Narayanan's Factory, Kalavoor.
3. „ G. S. Mallayya and Co., Kanjikuzhi.
4. „ V. K. Kesavan's Coir Factory, Kanjikuzhi.
5. „ The General Supplies Agency, Alleppey.
6. „ C. M. S. Coir Factory, Kalavancode.
7. „ Cocoa Carpet and Rug Manufacturing Co., Kalavancode.
8. „ Thottappallil Krishnan's Factory, Thanpirmukkom.
9. „ S. Pitchu Iyer and Sons, Ltd., Thanpirmukkom.
10. „ The Royal United Carpet Factories Ltd., Arur.

Our findings and recommendations in the said 8 cases form the first part of the report. The second part embodies the results of our enquiries into labour conditions prevailing in the industry with particular reference to the points mentioned in the Memorandum of the Labour Association. This part also includes our recommendations relating to the grievances of the labourers.

The third part of the Report embodies the results of the statistical enquiry into the family budgets of the workers in the industry.

PART I.

**REPORTS ON THE TRADE DISPUTES
IN INDIVIDUAL FACTORIES.**

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REPORT ON THE DISPUTE IN
DARRAGH SMAIL & Co., Ltd., ALLEPPEY.

1. This is one of the big European factories in Alleppey and the oldest carrying on mats and matting manufacture in Travancore. They make mats, mattings, rugs and carpets and also carry on a large business in the export of coir yarn. The firm has got two establishments in Alleppey, in the one they do the manufacture of mats and mattings and in the other, the re-hanking and baling of coir yarn for export.

2. In the statement of their case filed before the Board, the Union made the following allegations against the management of the factory:—

i. That for the last nearly fifteen years, wage reduction has been steadily going on.

ii. That the present rates of wages are not adequate to meet even the primary requirements of the labourers.

iii. That various processes of work are carried out through contractors, which results in payment of low wages and loss of security of tenure for the workers.

iv. That heavy and unjust fines are often imposed on the workers for flimsy reasons.

v. That the labourers are subjected to various exactions by moonpans and contractors.

vi. That the employers do not officially recognise the Travancore Coir Factory Workers' Union.

vii. That there is no protection against dangerous or injurious kinds of work.

viii. That women employees are not given maternity leave with pay and that proper provision is not made for accommodating children brought into the premises of the factory by women employees.

ix. That there is no security of tenure for workers and that workers are victimized for Union work.

x. That the workers are compelled to work at times on all the seven days in the week.

xi. That workers are not given out-passes sufficiently.

3. The manager of the firm appeared before the Board on 24-2-1939 and filed a counter-statement answering the charges made by the Union. The case was heard on the 7th and 8th of March 1939. Mr. Muckerjee, Factory Superintendent of

the firm and T. S. Vasu, witness for the Union, were examined on 7-3-1939 and, on the following day, Mr. Petrie, one of the Managers of the firm, Mr. Muckerjee and Mr. Chidambara Iyer, Yard Superintendent of the yarn department, were examined. On the latter date were also examined K. J. Jacob, witness for the Union, and Abdul Rahiman Kutty, a moopan of the yarn department of the firm.

4. The results of the enquiry into the allegations made against the management of the factory are set forth below:—

i. *That for the last nearly fifteen years, wage reduction has been steadily going on.*

In regard to this question of reduction in rates of wages, the manager of the firm has stated that at times wages have been increased and occasionally reduced to meet outside competition. In his oral deposition, Mr. Muckerjee, the Factory Superintendent, has amplified the above statement by giving details of alterations in rates of wages.

In 1932, a number of rates were revised and according to this revision some rates were increased, as show below:—

4/4 Basis	Old rate	Revised rate	Increase per cent.
		(Still in force.)	

4—Treadle, 16 score matting

Ordinary kick.	Rs. 2-14-0	Rs. 3-11-10.	30.
Reverse kick.	Rs. 3-10-5	Rs. 4- 2- 0.	13.

4—Treadle, 12-13 score matting.

Ordinary kick.	Rs. 2- 6-9	Rs. 3- 5- 2.	37.
Reverse kick.	Rs. 2-11-9	Rs. 3-12- 5.	38.5.

Mr. Muckerjee also stated that during the period from 1932-1939, there was only one type of matting, "the Pasha", on which a reduction in rate had been made. The weaving rates were too high for this particular type of matting for orders to be executed at a margin of profit. The said reduction was only on one type of matting out of a hundred types. On a 50—yards roll of matting, rates were reduced as shown in the following table:—

Size of matting.	Old rate.	Reduced rate.	Difference.
4/4	Rs. 5-9-0	Rs. 5-6-0	Rs. 0-3-0
6/4	Rs. 9-4-0	Rs. 9-0-0	Rs. 0-4-0
8/4	Rs. 12-0-0	Rs. 11-11-0	Rs. 0-5-0

The Board verified the above reductions and found they were correct.

With regard to carpet weaving rates, Mr. Muckerjee explained that when carpet weaving was introduced, they had to train up the men and offer high rates to attract them to the work. To begin with, they paid at the rate of 4 annas per sq. ft. However, on account of the Belgian competition, they had to reduce prices and wages and, at present, they paid only $\frac{3}{4}$ anna per sq. ft. They pay this reduced rate and yet enable the weavers to show greater out-turn and make better earnings. This has been made possible by the introduction of an improved type of labour-saving loom. In the result, at the $\frac{3}{4}$ anna rate, the weavers earn Rs. 6/4 per week, whereas they had earned only Rs. 5 per week at the old rate of 4 annas.

T. S. Vasu, a matting weaver in the factory giving evidence for the Union, said that up to the year 1099 M. E., (1924), the rate for 8/4 size matting was 3 times that of the 4/4 size, but that now it is only $2\frac{1}{2}$ times. He also gave evidence that weaving is now-a-days more difficult, owing to the introduction of a higher standard of weft count.

Further, witness stated that, for matting weaving, formerly they used to get a 20 % commission on out-turn. This had been stopped. On this point the management has subsequently submitted to us (i) that the 20 per cent. commission was afterwards incorporated in an upward revision of matting rates and (ii) that it had not formed part of the rates, as not all weavers qualified for the 20 per cent. commission. They have not made clear what the basis of the 20 per cent. commission was.

Witness also stated that there were reductions of wage rates in types other than those which Mr. Muckerjee had mentioned. The management has submitted that some minor reductions might have taken place for a few other qualities. At the same time, they point out that there have been instances where they had slightly increased some rates.

Subsequently, at the instance of the Board, the books of the firm were examined with a view to find out the trend of wage rates during the last several years. It was noted that during the period 1930-1934, there were general revisions of wage rates.

In the case of matting rates, the revisions were accompanied by the abolition of the 20 per cent commission paid to the workers till then. In regard to mat binding rates, however, the 20 per cent. commission had not applied. On the whole, the general revision had, in some cases, increased the old rates, in some others reduced them and, in certain others, left them unaltered.

In regard to matting weaving, the rates for four qualities were examined and it was noted that the general revisions had raised the rates in all cases; but, at the same time, the abolition of the 20 per cent. commission had resulted in the reduction of actual rates in two cases and in their increase in the other two.

A statement showing the above variations in wage rates is subjoined:

Mat Binding Rates, Chs. per 100.

Mat No.	1	2	3	4	5	6	7	8	9
Old rates (up- to 1934) ...	65	73	74	85	85	95	95	105	105
Current rates ...	62	68	74	85	90	95	100	110	115
Alterations	-3	-5	0	0	+5	0	+5	+5	+10

Matting Weaving Rates, 4/4 Size, Chs. per roll of 50 Yds.

Quality.	1930.	1939.	Increase.
B. 4 R/K. 16-score ...	104	117	13
I. F. 15-score ...	88	97 $\frac{1}{4}$	9 $\frac{1}{4}$
A. S. M. 10-12 $\frac{1}{2}$ score ...	80	100	20
B. 4 R/K. 17-18 score ...	104	136 $\frac{3}{4}$	32 $\frac{3}{4}$

But the old rates were exclusive of 20 per cent. commission. Hence we get the following figures of rates and their variations.

Quality.	1930.	1939.	Alteration.
B. 4 R/K 16-score ...	124 $\frac{1}{2}$	117	- 7 $\frac{1}{2}$
I. F. 15-score ...	105 $\frac{1}{2}$	97 $\frac{1}{4}$	- 8 $\frac{3}{8}$
A. S. M., 10-12 $\frac{1}{2}$ -score ...	96	100	+ 4
B. 4 R/K 17-18-score ...	124 $\frac{1}{2}$	136 $\frac{3}{4}$	+12 $\frac{1}{8}$

In regard to rates in the yarn department of the firm, K. J. Jacob, a worker in the factory, giving evidence for the Union, said that re-hanking was done on a contract basis and that prior to 1106, the rate of 9 $\frac{1}{2}$ chs. was paid by the moopan-contractors.* After 1110, the firm had reduced the rate by 1 ch. and a commission of 8 cash had also been recovered. In the result, the rate came down to 8 chs. At present they got 7 $\frac{1}{2}$ chs.

Mr. Petrie, one of the managers of the firm, and Mr. Chidambara Iyer, Yard Superintendent, gave evidence relating to rates in the yarn department. They said that in 1936 they had made a voluntary increase in rates. For sorting and grading

*A 'mooipan-contractor' sometimes simply referred to as a 'mooipan', is a non-salaried mooipan jobber who is remunerated on a commission basis.

an increase of 2 chs. was given and, in sundry other works, an increase of 1 ch. was given. Since 1936, there were no alterations in rates.

The complaint of the Union and the evidence given of reduced rates refer to the rates actually paid by contractors in the re-hanking section. Mr. Petrie has stated that in this section, wage rates have not been reduced. They remained what they were 15 years ago. He thought that, in fact, an increase was given in this section also.

In the re-hanking section, the work is supervised by moopans who are not paid a fixed salary, but work on a commission basis. They are responsible for carrying out the work specified. The rate of wages is fixed and the commission of the moopans is also fixed. The wages are handed over to the moopans who are responsible for turning out the quantity of work stipulated. The management does not check the actual disbursement of the wages by the moopans.

Mr. Petrie has admitted that cases of exactions had come to his notice and that a year ago, two moopans were dismissed for exacting money from the workers.

Here we may observe that, as the disbursement of wages to the workers is not supervised by the management, as it should have been done, it is not possible for the firm to say positively whether the workers actually receive the wages fixed by them. If they do not, it amounts to a reduction in wages, although on paper the rates fixed by the firm have remained unaltered. On one point, however, the evidence is clear, *viz.*, that the payment of wages by moopans, without supervision by the management, is capable of gross abuse. As a matter of fact, instances of such abuse have come to the notice of the management. We think that this matter should receive their close supervision and scrutiny. We will revert to this point in connection with the contract system of work obtaining in this factory.

- ii. *That the present rates of wages are not adequate to meet even the primary requirements of the labourers.*

In his counter-statement, the Manager of the firm has stated that their rates are as high, if not higher than those of other similar concerns in Alleppey and that, if there is regular work; a man can earn up to Rs. 30 per month. On 7-7-1939, Mr. Muckerjee, the Factory Superintendent of the firm, stated before the Board that the maximum and minimum average

earnings of a labourer for different items of work were as follows:—

Approximate earnings per week of 6 days.

	<i>Minimum.</i>		<i>Maximum.</i>	
	Rs.	as.	Rs.	as.
Matting weavers	4	12	6	0
Beamers	5	0	6	0
Spooling boys	2	12	3	12
Packers (mattings and rugs)	3	8	4	8
Rugs stitchers	4	8	6	0
Brush mat weavers	2	8	3	4
Inlaid do.	3	4	4	4
Fibre do.	5	0	6	0
T. D. do.	4	8	5	8
Carpet weavers	4	12	5	12
Chain mat stitchers	4	8	5	8
I. F. stitchers	4	8	5	8
Shearers	5	0	6	0
Braiders (boys)	2	12	3	12
Binders	3	0	4	0
Cutting-out men	4	8	5	8
Mat packers	4	8	5	8
Mat stencillers	4	8	5	8
Rugs do.	4	0	6	0
Dyeing	2	12	3	12
Day workers	2	8	3	0

The Factory Superintendent stated that 12 chs. per day is the lowest wage in the factory. He also stated that, if work was regular and he got regular orders, his workmen could earn Rs. 30 on certain types of work, even at the existing rates of wages. The minimum average wage was about Rs. 12 per month.

Mr. Petrie stated before the Board, that the average earnings in the yarn department were as follows:—

	<i>Average wage per month.</i>
Opening bundles of yarn	Rs. 8
Grading (men and women)	Rs. 13
Sorting (women)	Rs. 13 to 14
Carrying coolies (paid daily)	
Men	Rs. 10 to 12
Women	Rs. 6 to 7

Strictly speaking, the charge about the inadequacy of wages is only an expression of opinion by the Coir Factory Workers' Union. The complaint of low wages is applicable to the whole industry and hence it will not serve any useful purpose to discuss it as a point of dispute with individual

factory owners. The question will, therefore, be dealt with fully in the general report, on the questions referred to the Board.

- iii. *That various processes of work are carried out through contractors, which results in payment of low wages and loss of security of tenure for the workers.*

The manager of the firm has stated that only very few items of work are carried out on a contract basis and that, even then, the payment of workers is made under the direct supervision of the firm's officers. This statement has subsequently been supplemented by the oral statement of Mr. Muckerjee for the manufacturing section and of Mr. Petrie for the yarn department.

Mr. Muckerjee has stated that there are only two items of work carried out by contract in the factory. In these two cases, the moopan-contractors are responsible for turning out a definite quantity of work. The firm has fixed their commission rates as well as the wage rates. The wages are handed over to the moopan-contractors and they take their own commission and disburse the wages to the workmen, under the supervision of the officers of the firm. Mr. Muckerjee has also stated that the disbursement of the wages is done by the moopan-contractors under the supervision of the officers of the firm. If ever it is not done under such supervision, it would, nevertheless, be done on the premises of the factory. He had never had a complaint with regard to payment of wages by the moopan-contractors, except a recent complaint by the Union to the effect that they were disbursing the wages in their houses. Further, Mr. Muckerjee stated that the payment of the commission to the moopan-contractors and the wages to the workmen directly by the firm was not an impossibility.

It has been later stated by the management that workers under moopan-contractors are now individually paid by one of their staff. We are glad to note that this is being done; for, it is inherent in the contract system that the contractor usually tries to make an 'extra bit', especially on occasions when, as admitted by the Factory Superintendent, the disbursement of wages is done without the supervision of the firm's officers.

T. S. Vasu, a worker in the factory, giving evidence for the Union, said that quilling, stretching and drying were done on a contract basis. He also stated that for quilling, the company's rate, under direct supervision of the work, was 7½ chs. Now the work is given out on contract, at 5½ chs., but the contractor paid the workers at the rate of 4 chs. The

management claims that the 5½ chs. rate applied to a different class of work.

Witness has also stated that moopan Anthony takes unauthorised payments from the workers and in return gives them some concessions in the work. Some moopans sell to the workers tickets for theatres. For the Eucharistic congress, some moopans collected from them, from 6 as. to 8 as. per head.

As long as complaints of this kind exist, it is desirable, in the firm's own interest, to undertake the responsibility for the direct disbursement of wages to the workers. We wish also to note that Mr. Muckerjee has stated that the question of abolishing contract work in the two cases mentioned is under consideration.

The system of contract work, as it obtains in the yarn department, has already been dealt with.

The following points came out from the evidence given by K. J. Jacob, a worker in the yarn section for the last 15 years:

(1) the moopan-contractors pay less than the rates fixed by the firm,

(2) the moopan-contractors sometimes disburse wages in their houses,

(3) every worker has to render gratuitous labour for his moopan-contractor (there are 12 moopan-contractors), to the value of Re. 1 per month,

(4) that the moopan-contractors collected in cash 1½ ch. per week, per worker; and

(5) that some of the moopan-contractors resort to abusive language in addressing the workers.

Abdur Rahiman Kutty, a moopan-contractor in the re-hanking section, deposed on oath that the 30 workers under him did render gratuitous labour for him, to the extent of 170 lbs of yarn, per day, and that the wages therefor went to him. He also stated that he collected 1½ ch. per week from each worker. He spent ½ ch. from this collection on paying a boy for taking drinking water to the workmen and the balance was retained by himself.

Mr. Muckerjee stated that the moopan-contractor took the 1½ chs. without the knowledge of the management and that the story of carrying water to the labourers was false.

We consider that the charge that the workers of the re-hanking department are compelled by the moopan-contractors.

concerned to render them gratuitous labour and to make an unauthorised payment to them of 1½ chs. per worker, per week, is conclusively proved. We have no doubt whatever that these exactions have been going on without the knowledge of the management; but we are constrained to observe that the Yard Superintendent, Mr. Chidambara Iyer, could not have been unaware of these practices and that it was his obvious duty to bring the matter to the notice of the management.

We are glad to note that Mr. Petrie has, on behalf of the firm, undertaken to put a stop to these practices.

No evidence has been produced to prove insecurity of tenure under contract work in the factory.

- iv. *That heavy and unjust fines are often imposed on workers for flimsy reasons.*

The manager has stated that fines are only imposed for legitimate reasons such as defective work.

The point has not been pressed by the Union representatives. Nor has evidence been produced to prove the charge.

- v. *That the labourers are subjected to various exactions by moopans and contractors.*

We have already considered, in another connection, the complaints against moopans and contractors. Here we will only note what Mr. Muckerjee, the Factory Superintendent has stated before us. He has stated that the firm paid the moopans monthly or daily. When they got a report of exactions, they made careful enquiries with a view to punish the offenders. They were entirely against the practice of moopans receiving anything from the labourers. The subordinates were warned that they should not prevent the workers from approaching the Factory Superintendent. The management would take stern disciplinary action both against the moopans and the labourers who are involved in such malpractices.

We would advise the management as well as the Union to make this known to the moopans and the workers of the factory.

- vi. *That the employers do not officially recognize the Travancore Coir Factory Workers' Union.*

With regard to this point, the Manager of the firm has stated that the firm is quite prepared to officially recognise a properly organised Labour Association and also to investigate and rectify, if necessary, any genuine grievance which may be brought to their notice by the Labour Association, on behalf of the factory employees. As for recognising the Travancore Factory Workers' Union, the firm has agreed to give the matter very careful consideration when the Union wrote to them for recognition.

We suggest that the President of the Union put himself in communication with the management on this subject.

- vii. *That there is no protection against dangerous or injurious kinds of work.*

The Manager of the firm has stated that they protect their labourers engaged in dangerous work as far as it is possible to do so and that this was borne out by the exceptionally few serious accidents they have had in the factory for a number of years. In the stencilling section, there was no instance of any fatal injury as a result of the work. If a man is rheumatic, he may contract some swelling on the fingers, as a result of constant attendance to the work. They had provided gloves formerly; but the workers discarded them as inconvenient. The workers disliked wearing an apron. We find that the complaint refers mainly to stencilling work and this question will be discussed in our general report.

- viii. *That women employees are not given maternity leave with pay and that proper provision is not made for accommodating children brought into the premises of the factories by women employees.*

The answer of the management to this charge is that there is no provision for granting women employees maternity leave with pay or for arranging special quarters for accommodating children brought into the factory premises by women employees. The Factory Superintendent considered that the effect of enforcing maternity benefits would be to discourage the employment of women generally in the factories.

The employment of women in the industry will be discussed in our report.

- ix. *That there is no security of tenure for workers and that workers are victimised for Union work.*

The Manager has stated that they have no record of labourers belonging to the Union and that all are treated alike no workers being victimised for Union work.

No evidence has been produced to prove the contrary.

- x. *That the workers are compelled to work at times on all the seven days in the week.*

Answering this charge, the Manager has stated that on Saturday, work closes at 4 P. M., and Sunday is observed as a holiday; but owing to unavoidable circumstances, some departments are requested to work on Sundays, but they have never been compelled to do so.

Witness Vasu stated that there is work on Sundays, but that no compensating holiday is given.

The Factory Superintendent has undertaken that he would be guided by the Factories Act which lays down that if a Sunday is a working day, a holiday shall be given in the week to compensate for the Sunday work.

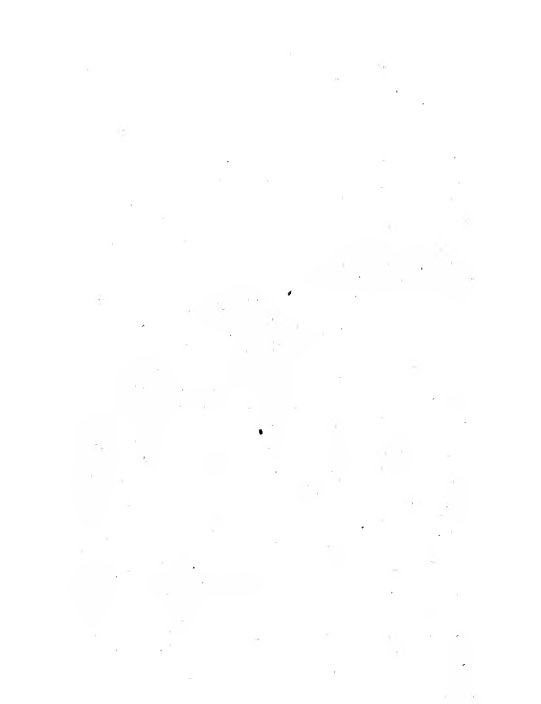
xi. *That workers are not given out-passes sufficiently.*

The Manager has stated that in the usual course, out-passes are issued to the workers according to their necessity, provided their requests are reasonable.

Witness for the Union has stated that even if no work was available, they could not go away from the factory. Out-passes would be issued if there was any urgent reason; but they would not be issued on the ground that there was no work. The gate keeper would insist that they could go only after 12 noon.

With reference to the above complaint, the Factory Superintendent has stated that they have no objection to sending out the men who have no work. They have given general instructions to issue out-passes when there is no work.

(Sd.) K. George	-- Chairman.
„ H. Smith	-- Member.
„ N. Sankara Mannar	„
„ P. N. Krishna Pillai	„
„ V. K. Achuthan	„



REPORT ON THE DISPUTE IN ASPINWALL & Co., LTD., ALLEPPEY.

1. This is a big European factory in Alleppey.

2. In the statement of their case filed before the Board, the Coir Factory Workers' Union made the following allegations against the management of the factory :—

i. That for the last nearly fifteen years wage reduction has been steadily going on.

ii. That the present rates of wages are not adequate to meet even the primary requirements of labourers.

iii. That various processes of work are carried out through contractors which results in payment of low wages and loss of security of tenure for the workers.

iv. That heavy and unjust fines are imposed on the workers for flimsy reasons.

v. That the labourers are subjected to various exactions by moopans, contractors and other subordinates.

vi. That the company does not officially recognise the Travancore Coir Factory Workers' Union.

vii. That the labourers have to work under unsatisfactory health conditions: (a) good drinking water is not available; (b) there is lack of proper ventilation.

viii. That there is no protection against dangerous or injurious kinds of work.

ix. That there is no security of tenure for workers and that workers are victimised for Union work.

x. That workers are not given sufficient out-passes.

xi. That women employees are not given maternity leave with pay and that proper provision is not made for accommodating children brought into the premises of the factory by women employees.

xii. That the weavers are put to considerable difficulty in passing the mattings woven.

3. The Manager of the firm appeared before the Board on 24-2-1939 and submitted a written statement answering the charges made by the Union. The case was heard on 8-3-1939, when the Manager supplemented his original statement by an oral deposition.

Kai Janaki and A. K. Madhavan, workers in the factory, gave evidence for the Union.

4. The results of the enquiry into the allegations made against the management of the factory are set forth below :—

- (i) That for the last nearly fifteen years wage reduction has been steadily going on.

In regard to the question of wage reductions, the Manager of the firm has stated that wage revisions are frequently made, but that such revisions are not always downward. Nevertheless, competition from factories established in country districts has compelled manufacturers generally to exercise the greatest possible care in fixing new rates for new processes.

As we have remarked in respect of the other cases filed before us, there is no point for conciliation in this charge. However, we have tried to ascertain, at any rate with regard to some important items of work, whether there has been any reduction in wage rates and if so, to what extent.

On examining the wage books, the following particulars were obtained :—

Matting weaving rates :

Maximum rates were paid from 1925 to 1936, for a type of matting, 1½ score 2—shaft Anjengo; but this particular type was discontinued in 1936. The rates were as shown below :—

Size.	Rs.
4/4	4
6/4	6/12
8/4	9/4

These rates were maintained throughout the period.

For another type (D. F.) 4-shaft matting, the reductions noted were as follows :

Size.	May 1925.	May 1932.	Reduction per cent.
	Rs.	Rs.	
4/4	4/12	4	15·8
6/4	9	7	12·5
8/4	11	10	9·1

This type was abolished in 1932.

Another type of matting (*viz.*, type 600) which has been continued up-to-date was examined for weaving rates. The reductions in rates in respect of this type are given below :—

Type 600, 13½ score, 2—shaft, Anjengo and Aratory.

Size.	July 1927.	May 1932	October 1932.	May 1935.
	Rs.	Rs.	Rs.	Rs.
4/4	3/8	3/8	3/4	2/15
6/4	6	6/2	5/11	5
1/4	8/3/8	8/12	8/2	7/1

It may be noted here that between July 1927 and May 1932, the rate for 6/4 and 8/4 sizes were increased by 2 as. and 8½ as. respectively.

The May 1935 rates are current, no alterations having been made since that date.

The percentage of reduction from the maximum to the minimum rates are as shown below :—

4/4	16.0 per cent.
6/4	18.3 „
8/4	19.2 „

The actual reductions in matting weaving rates are, therefore, no more than approximately 20 per cent.

In the mats department, the binding rates were as follows :—

Mats binding rates, Chs. per 100.

<i>Binding rates.</i>	Beach.			Vycome.		
	1 to 4. 5 to 9. Slips. 1 to 4. 5 to 9.					
1926 to March 1931.	75	90	...	97	122	
1931 March to July 1931.	73	88	...	95	120	
1931 July to December 1932.	65	70	58	75	80	
1932 December to May 1935.	60	65	53	70	75	
1935 May to January 1936.	58	63	50	68	73	
1936 January to the present time.	56	61	50	66	73	
Percentage of reduction in 14 years.	25.3	32.2	13.8	31.9	40.1	

Our conclusion is that wage rates have been reduced under certain items of work and that under certain items the rates have been reduced more than once. The maximum reduction that has come to our notice is approximately 20 per cent. in the case of matting weaving and 40 per cent. in the case of binding large-sized Vycome mats, which, however, are produced only in small quantities. In the most popular item, viz., Beach mats, sizes 1 to 4, the reduction is only 25 per cent.

(ii) *That the present rates of wages are not adequate to meet even the primary requirements of labourers.*

On this point, the Manager of the firm has stated that in their factory the minimum rate for an adult man is 7 as. per day. In his opinion, this rate is adequate to meet more than the primary requirements of labourer. Piece work errates are on a much higher basis and with full attendance of 26 days per month, the poorest and slowest worker can earn more than

Rs. 10 per month. The average earning in all departments is appreciably higher than this. Ninety per cent. of his employees are paid at piece rates. In the course of his oral deposition, the Manager stated that there is no piece worker in his factory who, if he got work for all the 26 working days in the month, would get less than Rs. 12 per month. Asked whether he could state the maximum that a worker could earn, he said it was about Rs. 30.

The complaint of low wages applies to the whole industry and will be dealt with fully in the general report on the questions referred to the Board.

- (iii) *That various processes of work are carried out through contractors, which results in payment of low wages and loss of security of tenure for the workers.*

The Manager of the firm has stated that there are quite a number of items which are worked on contract. The items of work that are usually given on contract are dyeing and drying of yarn and spooling, quilling and packing of matting.

The main complaint of labour is that the contractors bring down the rates to the lowest possible level at which the labourer would work. If the particular items of work were done directly under the control and responsibility of the firm, the rates would not have been pressed down to the lowest limit. Unless, therefore, the firm fixes the rates of wages and contractor's commission, checks the actual disbursement of wages and severely puts down unauthorised exactions, there is always the possibility of the contractor oppressing the labourer within the premises of the firm.

This is what was brought out in evidence. Kai Janaki has worked in the firm from her 9th year of age. She has worked there now for 19 years. She makes braids. When braiding was done under the firm's direct control, the rate per 100 yards of braid was 10 to 13 chs. and she herself had received wages at this rate for years. Now, for the last 7 years, braiding is done by contract work. Apart from the fact that the work itself has become more difficult, the workers now get only 7½ chs. per 100 yards. She earns 20 to 22 chs. per week. From this amount, 2 chs. per week, goes to the contractor as 'moopukasu'. As she is an old worker in the firm, she does not like to go elsewhere, nor will others take her, having so long been attached to one firm.

Subsequently it was pointed out to us by Mr. Smith that the statement made by witness that her average earning was 20 to 22 chs. a week was not correct and that it was about Re. 1 per week, calculating her average earnings for the two months immediately preceding her evidence. This was verified and found to be correct.

Of all the employers who have appeared before us, the Manager of the firm, Mr. Smith, has made out, perhaps the best case for the system of contract work obtaining in the industry. He considered that in certain cases, the employment of contractors was necessary. Certain departments of work are so connected that, if there is dearth of labour in one department, the work in some other departments will stop. In certain key positions, it was better to employ contractors, for the reason that the contractor obtains better supply of labour and has control of labour. He is responsible for finding labour and for turning out a definite quantity of work.

Our colleagues, the labour representatives on the Board, wish to add here that the reasons set forth by Mr. Smith in justification of the contract system, however clearly stated, do not appear to them to be convincing. Their objections to the system will be given in detail in our general report.

However, Mr. Smith did not think that the contract system is applicable to all items of work. He could give a list of items of work which could be carried out without a contractor and said that braiding was one such item.

Mr. Smith has also stated :

(i) that the recruitment and security of tenure of the workers under a contractor as well as the payment of their wages are the sole concern of the contractor ; and

(ii) that the remuneration for the contractor is included in the contract rate and the firm does not set aside anything separately for his services, in addition to the agreed rate.

Mr. Smith has definitely expressed the view that the contractor should be regarded as an employer of labour and that the labour union should regard him as such. The Union, on the other hand, contends that the contractor is only an intermediary and that the management should be responsible for the employment and security of tenure of the workers as well as for the payment of their wages.

Our colleagues the labour representatives wish to record here that they are entirely opposed to the Manager's view of the status of the contractor and that they will elaborate their point of view in our general report.

Here we have to record that Mr. Smith has stated that he would be very glad to abolish contracts in all possible directions and to see that wages in all cases are paid in the presence of the officers of the firm. In every case the contractor will be asked to produce his book showing the dues to the workers. He has also agreed to consider fixing the rates of wages and percentage of contractor's commission in cases of contract work.

The whole question of contract work will be discussed in our report.

- (iv) *That heavy and unjust fines are often imposed on workers for flimsy reasons.*

In his original statement answering the complaints of the Union, the Manager has stated that fines were very rarely imposed and that reasonable reductions were made from piece rates for faulty work. These were sanctioned, only after investigation by the management. In giving his oral statement, the Manager supplemented the above statement by saying that he was strongly against the imposition of disciplinary fines, though it might sometimes be necessary. He had never imposed it himself. In case of unsatisfactory work, they were given one or two warnings and if they did not show better work, they were dismissed. Out of a total annual wage bill of Rs. 67,000 the fines amounted only to Rs. 137 and of this amount Rs. 50 represented fines for late coming.

We are convinced that in this factory no heavy or unjust fines are imposed on the workers.

Our colleagues the labour representatives wish to record here that it is not the smallness or otherwise of the total amount of fines that matters, so much as the principle involved in fines and penalties and that they will state their views on the subject in our general report.

- (v) *That the labourers are subjected to various exactions by moopans, contractors and other subordinates.*

The Manager, in his original statement, has said that no report of exactions by subordinates had been made to him and that any such report would be carefully investigated.

Witness A. K. Madhavan, a matting weaver who had not been working in the factory for the past five months, giving evidence for the Union, said that the Matting Mooppan did not take moopukasu from the workers but that the Yard Superintendent was in the habit of taking bribes from the workers, on the understanding that he would provide them with work. No further evidence on the point was brought up and the charge is, therefore, treated as not proved.

Our colleagues the labour representatives wish to add here the following note :

"The difficulty of the Union to prove conclusively a case of bribery has to be recognised. Witness has stated that he himself paid Re. 1 to the Yard Superintendent for obtaining more remunerative work. Ordinarily it is unlikely that the

Yard Superintendent will admit that he took a bribe. We have to consider the weaker position of the worker in relation to that of the Yard Superintendent and hence the difficulty of the Union to produce legal evidence. In our view, whenever there are reasonable grounds for suspecting illegal practices of the kind, the management should take stern measures to put them down ruthlessly”.

(vi) *That the company does not officially recognise the Travancore Coir Factory Workers' Union.*

Answering this charge, the Manager has stated that communications with the President of the Travancore Coir Factory Workers' Union have taken place.

It is noted that, for all practical purposes, the firm has recognised the Union and in the course of his oral statement, Mr. Smith expressed his willingness to welcome the co-operation of labour representatives.

(vii) *That the labourers have to work under unsatisfactory health conditions:*

(a) *Good drinking water is not available.*

(b) *There is lack of proper ventilation.*

In regard to this complaint, the Manager has stated that immediate action has always been taken on reports of health authorities and that good drinking water is available and closed buildings are properly ventilated. In regard to the complaint brought out in evidence that the shearing machine is too close to the well and that dust from the machine falls into it, the Manager has pointed out that the well is 50 to 60 yards away and so the possibility of fibre dust falling into the well did not exist.

We are glad to note that the management is prepared to provide all reasonable health conditions for the workers.

(viii) *That there is no protection against dangerous or injurious kinds of work.*

The Manager has stated that protection against accident is provided in all cases. No evidence to the contrary has been produced by the Union.

Presumably the Union had in mind the stencilling and dyeing work in the factory, when they put forward the charge. The effect of such processes on the health of the workers has to be investigated by an expert enquiry instituted by Government. We will revert to this subject in our general report.

(ix) *That there is no security of tenure for workers and that workers are victimised for Union work.*

Answering this charge, the Manager has stated that satisfactory workers have been in their employ for many years..

There could be no security of tenure for unsatisfactory workers. The Manager has strongly denied that any of their employees have been at any time victimised for Union work.

The point was not pressed by the Union.

(x) *That workers are not given sufficient out-passes.*

In regard to this complaint, the Manager has stated that out-passes are only given during working hours in cases of illness or other urgent necessity and such passes are never denied in such cases. He has also stated that it is against the rules of the factory to allow men to go out whenever they like.

The point of the allegation is that, whereas workers are admitted as they present themselves in the morning, such of them as have no work for the day, are not given passes to go out when they ask for them, but are kept waiting according to the pleasure of the mooppans. Mr. Smith stated in reply that no workers are admitted into the factory who have no work for the day and that out-passes are issued to workers in case of sickness and other emergencies.

In our opinion, there is a genuine complaint in regard to this question of out-passes. We would advise that in the case of those who have no work for the day, the management should issue passes to enable them to go out as soon as possible.

(xi) *That women employees are not given maternity leave with pay and that proper provision is not made for accommodating children brought into the premises of the factory by women employees.*

The Manager has stated that they discourage the bringing of children to the premises by women workers. With regard to maternity leave with pay, they did not consider the responsibility could be borne by the industry in its present condition.

The question of women's employment will be discussed in our general report.

(xii) *That the weavers are put to considerable difficulty in passing the mattings woven.*

The Manager has denied that the weavers are subjected to any difficulty in passing the mattings woven. Only in cases of serious faults are weavers called from their looms. All mattings completed by Wednesday are passed by Thursday and paid for on Saturday. He did not consider that it was possible to arrange things more conveniently.

Witness Madhavan stated that the weavers have to carry the mattings from the loom to the place of passing. The Manager has stated that the weaving rates included cost of

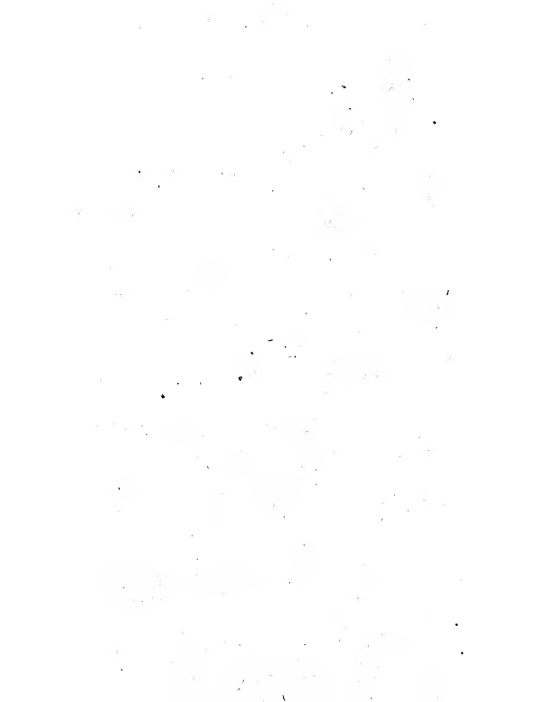
labour for this duty also. Witness has also stated that they have to walk round a considerable distance with the matting and it takes a great deal of time to get the mattings passed and in the meantime they will be kept away from their work.

The Manager stated that ten or fourteen years ago, every matting weaver had to spend half-a-day waiting for the matting to be passed, and that now they are not called up at all at the time of passing except in cases of faulty work.

We are inclined to the opinion that no unreasonable delay or inconvenience is caused to the weavers in passing the mattings.

(Our colleague, Mr. Smith, being the Manager of the factory with which we are here concerned, has not taken part in these proceedings).

Sd.	K. George	<i>Chairman.</i>
"	N. Sankara Mannar	<i>Member.</i>
"	P. N. Krishna Pillai	"
"	V. K. Achuthan	"



REPORT ON THE DISPUTE IN THE COIR FLOOR FURNISHING Co., ALLEPPEY.

1. This is a matting factory in Alleppey town. It was started in 1928. There are 40 looms now working in it. The owner has a district factory also where he makes mats.

2. In the statement of their case filed before the Board on 16-2-1939, the Union made the following allegations against the management of the factory :—

i. That for the last fifteen years, wage reduction has been steadily going on.

ii. That the present rates of wages are not adequate to meet even the primary requirements of labourers.

iii. That various processes of work are carried out through contractors which results in payment of low wages and loss of security of tenure for the workers.

iv. That heavy and unjust fines are imposed on the workers for flimsy reasons.

v. That labourers are subjected to various exactions by moopans, contractors, etc.

vi. That the company does not officially recognise the Travancore Coir Factory Workers' Union.

vii. That the labourers have to work under unsatisfactory health conditions :—

(a) That there is no proper ventilation ;

(b) That buildings and looms contravene the provisions of the Factories Act.

viii. That there is no protection against dangerous or injurious kinds of work.

ix. That there is no security of tenure for workers and that workers are victimised for Union work.

x. That women employees are not given maternity leave with pay and that proper provision is not made for accommodating children brought into the premises of the factory by women workers.

3. On 24-2-1939, the factory owner filed a written statement answering the charges made by the Union. The case was heard on 9-3-1939, on which date the employer supplemented his original statement by an oral deposition. On the same date, K. A. Bava, a worker in the factory, gave evidence on behalf of the Union.

4. The results of the enquiry into the allegations made against the management of the factory are set forth below :—

(i) *That for the last fifteen years wage reduction has been steadily going on.*

The factory was started only in 1928, and so the charge, as it stands, is incorrect. Nor is the reduction of wages in the past several years a point for conciliation. All that we can do is to enquire into the question and record a finding as to whether there has been any wage reduction since the factory was started.

The factory owner admitted, in his oral deposition, that during the last 4 or 5 years, there have been from time to time reductions in rates of wages, on various items of work, but never, more than once successively, on the same item. In regard to certain items he had made no reduction at all. For example he stated that in the case of 3-shaft Anjengo 14-score plain matting, the rate of Rs. 2 had not been reduced. He was compelled to reduce wages on account of the competition of other manufacturers. He reduced rates only after ascertaining the prices of his competitors. He was not in a position to specify the percentage of reduction in rates. He stated that he would be in a position to increase the wages, if he got good prices for his articles and sufficient orders from abroad.

The charge was not pursued into details by the representatives of the Union or by their witness. That there has been reduction of wages on several items of work is admitted by the factory owner.

(ii) *That the present rates of wages are not adequate to meet even the primary requirements of labourers.*

Strictly speaking this is only an expression of opinion by the Coir Factory Workers' Union. The factory owner has stated that on a calculation from three months' wages the average weekly earnings in his factory are as follows :-

	Rs.	ch.	c.
Matting weavers	3	22	0
Sorters	3	21	0
Quilling boys	2	3	8
Passing boys	2	7	8
Daily coolies	3	10	8
Mat stencillers	2	19	8
Matting stencillers	3	0	0
Loading and unloading coolies	3	22	0
Binders	2	5	0
Squaring	2	24	0
Trimming	4	8	0
Smoking	3	14	4

In his opinion, on an average, a labourer in Alleppey requires Rs. 10 to 12 for himself and a family of four or five.

The complaint of low wages is applicable to the whole industry and hence it will not serve any useful purpose to discuss it as a point of dispute with an individual factory owner. The question will be dealt with fully in our report.

(iii) *That various processes of work are carried out through contractors which results in payment of low wages and loss of security of tenure for the workers.*

In his original statement, the employer has denied the charge. He has stated that contract work is given only for better supervision and, as far as he knew, there was no complaint of low wages paid by any of the contractors. In his oral deposition, he stated that, in his factory, such items as wemby work, loading and unloading are done on a contract basis. Till 1932, contractors of the usual type were employed. Then the workmen complained that they did not get their full wages from the contractors and they agreed to receive the contract rates, provided an office clerk was maintained in the place of the contractors to look after the work and to disburse their wages. As at present obtains in the factory, if there are 20 men loading and unloading, their wages will be divided into 21 parts and one part will go to the clerk. His monthly salary is fixed at Rs. 15 and if the total wages earned by him does not come up to this amount, the balance will be made good by the company. We are inclined to think that this system is not, in essentials, very different from the usual moopan-contractor system. We do not consider it necessary to go into greater details here; but the whole question of contract work will be discussed fully in our general report.

(iv) *That heavy and unjust fines are imposed on workers for flimsy reasons.*

The employer has wholly denied this charge in his original statement.

Witness, Bava, giving evidence for the Union stated that before the strike, a workman, Nanoo Pillai, was fined Rs. 30 for defective work on a matting. The spoilt matting was not given to him, although the fine was realised from him. The employer did not contradict this statement. If it is a fact, we consider it was unjust and oppressive. After the strike, witness and his partner on the loom were fined Re. 1 for alleged faulty work on a matting. Out of a wage of Rs. 3-4 as due to them, Re. 1 was deducted by way of fine.

The employer, in his oral statement, said that in his weekly wage bill of Rs. 1,300 to Rs. 1,500, fines might not exceed Rs. 5 a month. The fines were an item of income to the company.

- (v) *That labourers are subjected to various exactions by moopans, contractors, etc.*

The employer has stated that he is not aware of any such exactions. The question of contract work has already been dealt with.

No evidence has been produced to prove the charge of illegal exactions by contractors and moopans. Witness put up by the Union had never worked under a contractor and in the last two years, at any rate, he has not had any trouble from moopans, although previously he had been compelled by moopans to pay towards festivals in the Mullakal and Kani-chakulangara temples.

- (vi) *That the company does not officially recognise the Travancore Coir Factory Workers' Union.*

The employer has stated that there was no opportunity till then for recognition of the Travancore Coir Factory Workers' Union. He considers that it would be advantageous both for the labourers and the factory owners whenever there is any dispute, that the Union should address the matter to the Chamber of Commerce and that the Chamber should take up the matter with the manufacturer. This suggestion does not commend itself to us. The Union is a body registered under the provisions of a statutory enactment and one of its objects is to bring to the notice of the employers direct the grievances of the workers in order to obtain relief. We think that in the interest of the good relations between the employers and the workmen, the former should accord due recognition, both in letter and spirit, to the Union and permit its officers or representatives to approach them direct for making representations. The question of approaching a third party need arise only in case the employer and the Union cannot come to an agreement.

- (vii) *That the labourers have to work under unsatisfactory health conditions:*

- (a) *that there is no proper ventilation; and*
(b) *that buildings and looms contravene the provisions of the Factories Act.*

The factory owner considers that the labourers in his factory work under very satisfactory and healthy conditions and that there is sufficient ventilation for the buildings. If, however, any further improvements are required, he would

be glad to do the same. In the circumstances, we would advise the Union to represent to the factory owner what particular improvements are required.

(viii) *That there is no protection against dangerous or injurious kinds of work.*

The factory owner has stated that there is no dangerous or injurious work carried on in the factory.

The point has not been pressed by the Union and no evidence has been produced by them in support of the contention.

Presumably the Union had in mind the stencilling and dyeing work when they made the charge. The effect of these processes of work on the health of the workers has to be investigated by an expert enquiry instituted by Government. We will revert to this subject in our general report.

(ix) *That there is no security of tenure for workers and that workers are victimised for Union work.*

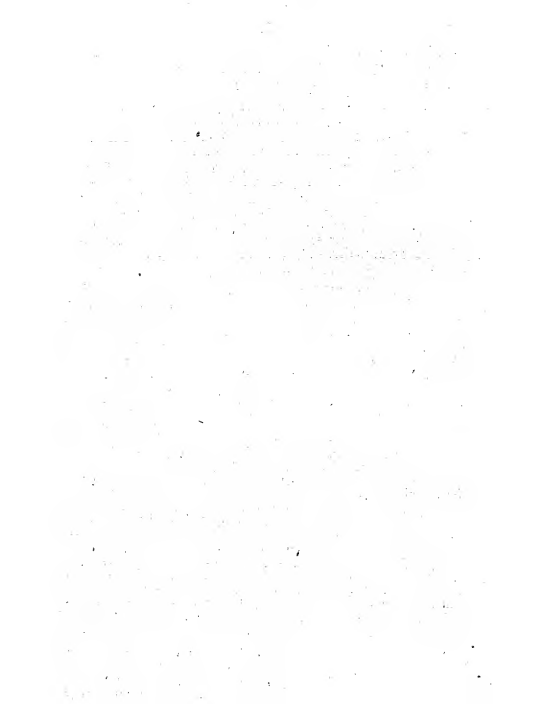
In his original statement the employer has said that security of tenure depends upon the orders he is able to get and that if sufficient orders are forthcoming, he could provide regular work. Tenure of work depends entirely upon conditions of the foreign market for his goods. He has also stated that there is no victimisation for Union work.

No evidence has been produced to prove the contrary and the point has not been pressed by the Union representatives.

(x) *That women employees are not given maternity leave with pay and that proper provision is not made for accommodating children brought into the premises of the factory by women workers.*

In regard to this question, the factory owner has stated that in no factory in Alleppey is such benefit accorded. He considers there is no need for it either, as their work is such as would afford them enough time to take rest. In his factory there are about 23 women workers and most of them are piece workers (splicers), who take the cuttings home and do the splicing leisurely in their homes. In the case of women engaged on a monthly wage basis, he said he would not object to the enactment of legislation providing maternity benefit for them; but he was of opinion that it was not necessary to give such benefits to the piece-workers. We will discuss this question in our general report.

Sd.	K. George,	Chairman.
	H. Smith,	Member.
"	N. Sankara Mannar,	"
"	P. N. Krishna Pillai,	"
"	V. K. Achuthan,	"



REPORT ON THE DISPUTE IN K. S. GANGADHARA IYER & Co., ALLEPPEY.

1. This is a private company in the town of Alleppey. The factory itself is an old establishment, but five years ago, it was taken over by the present proprietor, who claims 25 years' experience of the industry. There are 75 matting looms and 50 mat looms in the factory. The number of workers attached to the factory is about 250, including about 15 workers on the daily wage basis, and about 10 women workers.

2. The following allegations were made by the Union against the factory :—

(i) That for the last nearly fifteen years, wage reduction has been steadily going on.

(ii) That the present rates of wages are not adequate to meet even the primary requirements of labourers.

(iii) That various processes of work are carried out through contractors which results in payment of low wages and loss of security of tenure for the workers.

(iv) That payment of wages is made in kind and irregularly.

(v) That heavy and unjust fines are imposed on the workers for flimsy reasons.

(vi) That labourers are subjected to various exactions by moopans, contractors, etc.

(vii) That out of the wages earned by the labourers the company takes a portion as "dharmaavu".

(viii) That the company does not officially recognise the Travancore Coir Factory Workers' Union.

(ix) That the labourers have to work under unsatisfactory health conditions :—

(a) That good drinking water is not available ;

(b) That the labourers have to work under heated zinc roofs.

(x) That there is no protection against dangerous or injurious kinds of work.

(xi) That there is no security of tenure for workers and that workers are victimised for Union work.

(xii) That women employees are not given maternity leave with pay.

3. On the 16th February 1939, the factory owner's representative filed a counter-statement answering the charges made by the Union. The case was heard on 23-2-1939, 25-2-1939 and 6-3-1939. On the first two dates, Mr. K. S. Gangadhara Iyer, the factory owner, was examined and on the

last date, he was represented by his office manager. Three witnesses, Ramakrishnan, Vasu and Madhavan, all workers in the factory, gave evidence for the Union. Another worker in the factory, Ousep Kutty, gave evidence on behalf of the factory owner.

4. The results of the enquiry into the allegations are given below :—

- (i) *That for the last nearly fifteen years, wage reduction has been steadily going on.*

There is no point for conciliation in this charge. All that is possible is to record a finding whether the allegation is true or not. The factory has been under the management of the proprietor only for the last five years. The charge as it stands is, therefore, incorrect. We have, nevertheless, enquired whether there has been any wage reduction during the last five years.

In his original statement, the factory owner has stated that, in some cases, wages have been reduced in conformity with the general fall in the prices of the manufactured products, but that, during the last three years; no further reductions have been made. In his oral deposition, supplementing his original statement, Mr. Gangadhara Iyer said that, in the case of the 4/4 size matting, he had slightly increased the rate, by annas 2 to annas 4 per roll of 50 yds. i. e., from Rs. 2/14 to Rs. 3/2 per roll. In the bigger sizes of mattings, his original rates used to be slightly more than proportionately higher. He has now brought them all down to the exact proportionate rates. He further stated that, as orders were mostly for the 4/4 sizes, he did not derive any advantage from the reductions on the bigger sizes.

The witnesses produced by the Union have stated that, in various items of work, greater reductions in wage rates have been made; but the evidence given is lacking in consistency, if not mutually contradictory. The wage books show that the rates are based on that of the 4/4 size and that the bigger sizes are given just proportionately higher rates. The statement of the factory owner is, in our opinion, substantially correct.

- (ii) *That the present rates of wages are not adequate to meet even the primary requirements of labourers.*

The factory owner stated before the Board that, on this point, there were no complaints from his men. He has also stated that the maximum earning of a matting weaver is at present Rs. 30 and the minimum about Rs. 12 to 15. He estimated the average earning of a matting weaver at about Rs. 18 per mensem.

Ramakrishnan, witness for the Union, stated that he earned Rs. 5 and Rs. 6, respectively, in the two months immediately preceding. He also stated that, if there was regular work, he could make 6 rolls of matting, 4/4 size, per month, which would fetch, at the rate of Rs. 3/2 per roll, Rs. 18/12 per two weavers or Rs. 9/6 per weaver.

Ousep Kutty, witness for the factory owner, a matting weaver of 2 years' standing in the factory, stated that, on the average, he made Rs. 10 per mensem. In the month immediately preceding (January '39), he had made Rs. 12. The wage book proved his statement to be true.

Here we may briefly observe that the complaint regarding wages in this as well as other factories is not so much about the rates of wages as about the monthly earnings of the workers. In this particular factory, it cannot be denied that at the existing rates, there is the possibility of making a fairly decent earning, provided there is regular work throughout the month. But the trouble is there is no regularity of employment. Even the factory owner's own witness had to admit that in the two months preceding, his earnings were only Rs. 10 and Rs. 12, respectively.

Strictly speaking, the inadequacy of wages complained of by the Union, is merely an expression of opinion. This raises so many issues pertinent to the whole industry that it will not serve any useful purpose to discuss it as a point of dispute with individual factory owners. The question will be dealt with at length in the general report on the questions referred to the Board.

- (iii) *That various processes of work are carried out through contractors which results in payment of low wages and loss of security of tenure for the workers.*

In his original statement submitted to the Board, the factory owner has said: "Certain works in the factory have to be given on contract which in fact can in no way hinder the other labourers". The items of work done on the contract system are the following:—beaming (warping), stretching and rolling, loading and unloading. The carrying out of certain items of work through contractors who recruit their men, employ them on the premises of the factory and pay them themselves, is a system generally obtaining in the industry, more particularly in Alleppey. It will be discussed at length in our report. In regard to the factory with which we are here concerned, all that we can do now is merely to record a finding whether the contractors employed by the factory pays unduly low wages and whether employment under them is particularly insecure.

The factory owner admitted that a contractor is paid at the rate of 9 men's wages for every 8 men employed by him. But there is no fixed rate of remuneration to the contractor. Obviously, he takes the one extra wage plus what more he can bargain for and obtain from each labourer employed by him.

The factory owner also stated that, although the contractor himself disburses wages, he sees to it that the wages are actually paid to the workers. If a worker employed by a contractor has a complaint, he can take it to the factory owner, who would set the matter right. It is all a moral control. But he is not sure that the workers are aware that they can take a complaint direct to him. There has not yet been an occasion for him to interfere with the contractors on behalf of the workers employed by them. This very probably shows that the workers have not so far become aware of the fact that complaints can be taken to the proprietor for redress. We consider that the factory owner should put up notices in every section where contract work is carried on announcing to the workers that they can take any complaint against the contractor direct to the proprietor himself.

No evidence has been produced showing that the workers' tenure of employment by the contractors of this factory is particularly insecure. The proprietor claims that certain items of work can be carried out more efficiently through the contract system than through the employment of a foreman, though it may not be possible to do so in all sections. He could not say without fuller consideration, whether there is any objection to stopping the contract system. The contract system, in some form or other, prevails generally in the industry. We shall discuss the question in the body of our general report.

(iv) *That payment of wages is made in kind and irregularly.*

Here there are two points for consideration, viz.,

(1) that wages are paid in kind, and

(2) that wages are not paid at regular fixed intervals.

In regard to the first point, the factory owner has admitted before us that in cases where the workmen ask for advance payments, he pays them in kind, chiefly in rice. He has also stated that he maintains a shop—rice and provision store—which is an ordinary shop, open to the public, and not exclusively meant for his workers. His men can get advances only from his shop but he does not derive any extra profits therefrom; he gets only the usual and legitimate profits. His workmen invariably asked for advances before the due date; but it was not possible for him to advance cash, though

in special cases he might do so. As a rule, he advances only rice. For payments of this kind, he issues a chit to his shop, directing payment in rice, to the value of the sum specified. He charges only market rates and no interest on the advances. He also stated that he is only too willing to pay in cash, if the workers will wait for two weeks.

On the other hand, one of the Union's witnesses, Madhavan, a matting weaver of 4 years' standing in the factory, giving evidence on 25-2-1939, stated that the workers were constrained to ask for advances, because wages were not paid at regular intervals. He continued that on the last wage payment, three weeks ago, a sum of Rs. 18 was due to three of them working on the same loom. They got Rs. 9 in cash and chits to the shop for the balance. Since that payment, three weeks back, he had received payment only in kind. He also stated that, if the wages are paid out wholly every week, he would not ask for any advance.

Uusep Kutty, a witness produced by the factory owner, giving evidence, on the 16th March 1939, stated as follows : " It is now 7 days since I got my wages last. On that date, to three of us, working on the same loom, a sum of Rs. 29/8 was due. But we had already received Rs. 3/2 in excess. We received the advances in rice as well as in money. I got a little more than Rs. 2 in cash. The balance was all paid in rice. On the previous wage-payment date also, I got nothing in cash. I had already taken advances in excess of my earnings".

The witness was, obviously, trying to show that the advance payments in kind were made on account of the requests of the workers. But his evidence also shows clearly the excessively high proportion of the wages that is actually paid in rice.

In such cases, it is natural for the workers to sell a portion of the rice in order to raise cash for other needs. This is the evidence given on 25-2-1939, by witness Vasu, a worker in the factory, put up by the Union ; "The day before yesterday, chit was issued for rice to three of us together. We asked for Rs. 7, but chit was issued only for Rs. 6/8 worth of rice. On that day, more than Rs. 6/8 was due to us by way of wages. The rice was issued to us from the manager's shop, on production of the chit. We got 160 lbs. of rice for Rs. 6/8. The market rate for so much rice, including the bag, is Rs. 6/5. We sold the rice to a shop keeper close by. We got Rs. 5/4 for it. All the three of us were in need of cash. The loss on the transaction was borne by us jointly."

Ousep Kutty, witness for the factory owner, stated that he does not sell rice, but that there might be some who do so. He also stated that the management had asked the workers that they should not sell the rice received by way of wages.

The factory owner stated that although he had not come across cases where the workers have sold rice to raise cash, on occasion, it might have happened. He further admitted that, in the hands of unscrupulous employers, the system of payment in kind is liable to grave abuses. He is discouraging the practice and is agreeable to abolishing it.

As we have remarked in our reports of certain other cases filed before the Board, we have received sufficient evidence to show that the practice of paying the whole or part of the wages of the workers in the shape of rice, provisions etc., from the shops kept by the factory owners prevails to some extent in the industry. The question will be discussed at length in our general report.

Coming to the question of irregular payments of wages, in his original statement, the proprietor has said that wages are regularly paid once every fortnight. Subsequently, on the second hearing of the case, he confirmed the statement by saying that he paid wages twice monthly, clearing accounts once in 15 days.

Madhavan, a worker, giving evidence for the Union, stated that, in the factory, it took from one month to six weeks for the wage accounts to be closed. Vasu, another witness for the Union, stated that they did not get their wages disbursed to them every two weeks and that wages were sometimes disbursed after 20 to 25 days.

Ousep Kutty, witness for the factory owner, stated that by the 17th of every month, the entire wages up-to-date would be paid, but that one mat's wage will be in arrears, sometimes a completed mat, at other times an incomplete one. On a reference to the wage books, it is found, that the latest wage payments have more or less, approximated regularity of 15 to 20 days interval. Where variations are noted, the management has explained that sometimes the workers themselves ask for payments to be deferred by a few days, against the prospect of an approaching festive day. Witness, Ousep Kutty, giving evidence for the management, has stated that wage accounts are closed by the 17th of every month, but that one mat's wage will be kept in arrears. That is to say, about Rs. 3 will be in arrears.

On the whole, we find that, since the strike, a conscious effort is being made by the management to pay wages at intervals of roughly 15 to 20 days. At the same time, we do

not forget that there is also a continuous stream of advances in kind made by the factory owner. However, he should establish strict regularity of payments at least every fortnight, an interval which he has himself mentioned as convenient to him and which is apparently satisfactory to his workers also. Here we would like to observe that it is more important that he should pay wages at regular intervals than that he should make advance payments. The former is obligatory, while the latter is optional and may advantageously be discouraged and gradually abolished.

(v) *That heavy and unjust fines are imposed on the workers for flimsy reasons.*

The proprietor has stated before us that no heavy or unjust fines are imposed on the workers, but that where they commit mistakes in weaving or other work, a small fine is, at times, imposed. Fines are not inflicted for disciplinary purposes, but only for defective work and negligence. Where an article is badly damaged, through the carelessness of the worker, no wages are paid for that particular piece of work and the damaged article will have to be taken by the worker himself and the value thereof paid by him. In the case of slight damages or defective work a small fine is imposed and the article is disposed of by the firm. The Union's representatives and their witnesses have not pressed this point about heavy and unjust fines. As we have mentioned elsewhere, the whole question of fines and penalties will be considered in detail in our general report. The proprietor of this particular firm has stated that he is agreeable that fines collected should be set apart for welfare work in the interests of the workers themselves.

(vi) *That labourers are subjected to various exactions by moopans, contractors, etc.*

In his first statement, the factory owner stated that no exactions are made from the labourers by moopans or contractors. Subsequently, in his oral statement before the Board, he admitted that he employed two moopans and that they took moopukasu (unauthorised commission) from the workers, at the rate of $\frac{1}{2}$ ch. to 1 ch. from a fortnightly wage. He also stated that the moopans were paid by him and, therefore, there was no justification for the moopans to take anything from the workmen. He knew that the workers would be pleased if the system were stopped. He had informed the workers that they should not pay moopukasu. He undertook to put up a notice prohibiting the system and to make it known that the workers can approach him in case moopukasu is demanded. This we consider satisfactory and desire to express the hope that the proprietor will straightway eradicate the evil altogether.

(vii) *That out of the wages earned by the labourers, the company takes a portion as dharmavu.*

This practice does not obtain in the factory. The labour representatives did not press the charge.

(viii) *That the company does not officially recognise the Travancore Coir Factory Workers' Union.*

The factory owner has stated that his company is always willing to co-operate with the Travancore Coir Factory Workers' Union and to recognise it for the benefit of the industry in general.

(ix) *That the labourers have to work under unsatisfactory health conditions:*

(a) *That good drinking water is not available;*

(b) *That they have to work under heated zinc roofs.*

It has been found that the factory is situated in spacious grounds. There are three wells on the premises, and, according to the proprietor, the workers, on account of caste distinctions, prefer to draw the water themselves for drinking purposes. The water in the well in the quadrangle, within easy reach of the workers, is thoroughly unfit for drinking. It should be frequently cleaned and kept in a sanitary condition. We note that the proprietor has undertaken to supply good drinking water and to keep it in pots in different parts of the factory.

With regard to work under zinc roofs, it is noted that only the engine room has a zinc roof.

(x) *That there is no protection against dangerous or injurious kinds of work.*

The proprietor has stated that there is no kind of work involving danger or injury to the workers. The complaint is about the stencilling work. We have received no evidence as to the nature or extent of the injury involved in the work. This is a matter for expert enquiry. We will revert to the subject in our report.

(xi) *That there is no security of tenure for workers and that the workers are victimised for Union work.*

The employer has stated that as long as there are sufficient orders and work in the factory, there is security of tenure for workers. Regularity of work depends, according to him, on regularity of orders. This is a matter that goes deeper than it looks and will form a subject for our consideration and report. No evidence has, however, been produced to show that workers are wilfully dismissed for any reason whatever.

- (xii) *That women employees are not given maternity leave with pay.*

The employer has stated that the work turned out by women employees is very little and that it does not justify his giving them special concessions. On enquiry we find there are about 15 women employed either on daily wages or on the piece work system in the splicing and braiding sections. The question of maternity leave with pay for women employees is one of the wider questions affecting the whole industry and will be dealt with as a general question in our report.

(Sd.)	K. George	<i>Chairman.</i>
„	H. Smith	<i>Member.</i>
„	N. Sankara Mannar	„
„	P. N. Krishna Pillai	„
„	V. K. Achuthan	„



REPORT ON THE DISPUTE IN M. P. APPACHAN'S FACTORY, KALLARCODE, ALLEPPEY.

1. This is a small mats factory at Kallarcod, about three miles south of Alleppey. It was established in 1108 with 20 looms. The present number of looms is 42. It employs about 60 workers.

2. In the statement of their case filed before the Board, the Union made the following allegations against the management of the factory:—

(i) That for the last nearly fifteen years, wage reduction has been steadily going on.

(ii) That the present rates of wages are not adequate to meet even the primary requirements of the labourers.

(iii) That payments of wages are made in kind and irregularly.

(iv) That heavy and unjust fines are imposed on the workers for flimsy reasons.

(v) That labourers are subjected to various exactions by moopans, contractors, etc.

(vi) That out of the wages earned by the labourers the employer takes a portion as "dharmaavu".

(vii) That the employer does not officially recognise the Travancore Coir Factory Workers' Union.

(viii) That the labourers have to work under unsatisfactory health conditions:

(a) that good drinking water is not available,

(b) that they have to work under heated zinc roofs,

(c) that there is no proper ventilation.

(d) that there are no latrines,

(e) that the buildings and looms contravene the Factories Act.

(ix) That there is no protection against dangerous or injurious kinds of work.

(x) That there is no security of tenure for the workers and that they are victimised for Union work.

The employer appeared before the Board on the 16th February 1939, and submitted an oral statement answering the charges made by the Union. The case was heard on the 23rd February 1939, on which date the employer supplemented his original statement by an oral deposition.

Gangadharan and Krishnan, workers in the factory, gave evidence for the Coir Factory Workers' Union.

4. The results of the enquiry into the allegations made against the management of the factory are set forth below:—

- (i) *That for the last nearly 15 years, wage reductions have been steadily going on.*

There is really no specific point for conciliation in this allegation. A finding in regard to it either way will not affect the settlement of the dispute. What the Board can do is merely to record its opinion as to whether the allegation is true or not. The charge, as it stands, is incorrect; for, the factory has been in existence only for 6 years now. The question whether there has been any wage reduction during this period was, however, enquired into. In his original statement before the Board, the employer stated that he had made no reduction in wages, under any item of work and that for 'pappada thadukku' (oreel mats), a new line he had started in 1112, he has been paying a uniform rate of wages ever since. Both the witnesses cited by the Union were working at pappada thadukku and they stated that wages were reduced during the last three years. Gangadharan was not able to say how many times the rates were reduced; but Krishnan said that reductions were made on three occasions. The employer admitted that under one item of work, *viz.*, stitching, he had made a reduction in the rate from 50 chs. to 45 chs. per 100 mats. In regard to pappada thadukku, he repeated his statement that the rate has been uniform throughout.

The employer admitted that he did not maintain either wage books or account books. In the absence of these records, we are unable to find out how many times, to what extent and under what items, wages have been reduced. We are, however, convinced that there has been some reduction of wages in the factory.

- (ii) *That the present rates of wages are not adequate to meet even the primary requirements of the labourers.*

Strictly speaking this is only an expression of opinion by the Coir Factory Workers' Union. The complaint of low wages is applicable to the whole industry and hence it will not serve any useful purpose to discuss it as a point of dispute with individual factory owners. The question will, therefore, be dealt with fully in the general report on the questions referred to the Board.

- (iii) *That payment of wages is made in kind and irregularly.*

This contains two charges, *viz.*,

- (1) that wages are paid in kind, and
- (2) that wages are not paid at regular fixed intervals.

In regard to the first, it was disclosed at the enquiry that the proprietor maintains a rice and provision shop, and a tea shop. It was also admitted by the proprietor that the workmen keep credit accounts in a barber shop, and that the

barber's accounts are cleared by him by paying him in rice, the amounts concerned being deducted from wages due to the workmen. The representatives of the workers contended that the workers are obliged to apply for advances as they are paid their wages at long intervals, that although the proprietor says that he does not compel any one to receive wages in kind, they are obliged to do so because the proprietor will not pay advances in cash, even though application is made therefor and that by these devices, the proprietor makes unjust profit out of them and they are put to serious loss. We explained to the employer the evils of the system of payment in kind, but he stated that he would not be able to carry on his business, if he were compelled to make payments in cash.

Coming to the question of irregular payments, the allegation is that payments are made at long intervals, usually, of a month. Witness Gangadharan said that wages are usually paid at intervals of about 35 days. Krishnan said that wages are usually paid once a month. The employer stated that he pays wages regularly once in three weeks. This does not appear to be correct. In an improvised record of wages paid during the last few months, (but not a regular wage book) that he produced before the Board, there was no account of any wage payment in the whole of Dhanu 1114. He was asked to say if he could pay wages once in two weeks. He expressed his inability to do so.

We are inclined to hold that there is no regularity in payment of wages in this particular factory. We do not say it is deliberate; it is inevitable to a business conducted in an unsystematic manner. The payment of wages in cash and the regularity of wage payments are important general questions; they will, therefore, be dealt with in our general report.

(iv) *That heavy and unjust fines are imposed on the workers on flimsy grounds.*

The employer denied this, and the witnesses were not able to prove that the levy of heavy and unjust fines is a practice with the factory owner. In the course of his oral statement, the employer admitted the practice of withholding wages wholly or in part for defective work. Deductions of this kind will be discussed in our general report.

(v) *That the labourers are subjected to various exactions by moopans, contractors, etc.*

There are no moopans or contractors employed by the factory. The charge was, therefore, dropped.

(vi) *That out of the wages earned by the labourers, the employer takes a portion as "dharmavu".*

The employer admitted the recovery of dharmavu and that all kinds of wage payments are subjected to dharmavu. In his first statement, he said that the money collected as dharmavu was expended on charity to the workers. In his second statement, he retracted and admitted that it was an item of income to him.

Witness Gangadharan said that 8 chs. per wage payment was the rate of dharmavu before the strike, but it was reduced to 4 chs. after the strike. If the wage amount was comparatively larger than usual, the rate was raised to 5 chs. Witness Krishnan said that 7 chs. were taken from his wages by way of dharmavu. Gangadharan also said that, every year for the Feast of Adoration, celebrated in the church near by, a reduction is made from the wages of every worker, at the rate of 10 chs. per head. Krishnan said that in a collection box, kept for the purpose, every worker was required to deposit 1 ch. per wage payment. The workers did not know how the money so collected was spent. The factory owner did not contradict or deny the above two charges.

The employer did not mention any fixed rate at which he charged dharmavu. We are of opinion that he is not above bargaining with each individual worker in regard to what he may take by way of dharmavu. He has stated that the total annual collection of dharmavu does not exceed Rs. 30 but it is very likely to be a bigger amount and hence his reluctance to agree to stop a practice which gives rise to so much discontent among his workmen.

(vii) *That the employer does not officially recognise the Travancore Coir Factory Workers, Union.*

The factory owner stated that he had no objection to recognise the Union officially.

(viii) *That the labourers have to work under unsatisfactory health conditions:*

- (a) *good drinking water is not available,*
- (b) *they have to work under heated zinc roofs,*
- (c) *the factory is not properly ventilated,*
- (d) *there are no latrines, and*
- (e) *buildings and looms contravene the provisions of the Factories Act.*

(a) *Drinking water.* Gangadharan, witness, stated that no drinking water facilities are provided and that the workers have to go to the neighbouring house to get drinking water. In his first statement, the factory owner said that drinking water is supplied; but in the second statement he said that he did not provide drinking water inside the factory. However, he has agreed to provide drinking water to the workers,

(b) *Heated zinc roofs.* This charge cannot stand as the factory is thatched with coconut leaves.

(c) *Ventilation.* In our opinion, the question of ventilation does not arise in this and similar suburban factories, as they are open nearly on all sides.

(d) *Latrines.* The factory owner admitted that there are no latrines on the premises. He maintained that there was no need for latrines at all, as there was plenty of space round about the factory. We do not approve of the contamination of open spaces and are of opinion that as long as there is a demand for latrines, at least convenient closets should be provided. They can be very cheaply constructed.

(e) *Buildings and looms.* It was not stated in evidence what provisions of the Factories Act were contravened. In fact, the Act does not apply, at present, to factories of this description. In our general report, we shall deal with the question whether any modification of the Act or any extension of its application is called for.

(ix) *That there is no protection against dangerous or injurious kinds of work.*

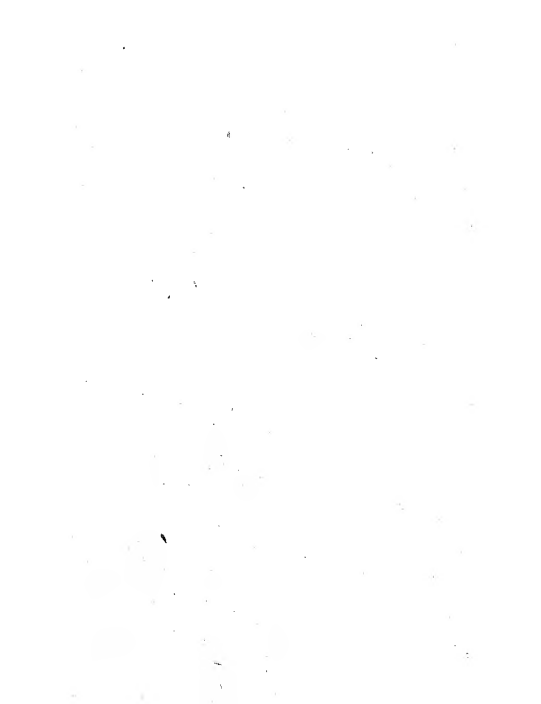
Only mat weaving is done in this factory. There are no dangerous or injurious kinds of work.

(x) *That there is no security of tenure for the workers and that workers are victimised for Union work.*

The proprietor denied the charge. Gangadharan gave evidence to the effect that the proprietor went back upon the agreement entered into between the employers and the labour representatives to pay to the workmen a commission of one anna in the rupee, on the basis of which understanding the last strike had been called off. But the proprietor told them that he could not afford to pay it and that those who insisted on the commission being paid should leave the factory. The payment of the commission was insisted on by eight workmen and of these, seven men have been discharged. We consider that the proprietor should not have retreated from what was admittedly a general understanding, that he should continue to pay the token increase (called commission) like the other factory owners and that he should take back the discharged employees, if they ask for it.

There is, however, no evidence of victimization for Union work.

Sd.	K. George,	Chairman.
„	H. Smith,	Member.
„	N. Sankara Mannar,	„
„	P. N. Krishna Pillai,	„
„	V. K. Achuthan.	„



**REPORT ON THE DISPUTE IN THOTTAPPALLIL
KRISHNAN'S FACTORY, CHERUVARANAM,
THANNIRMUKKOM.**

1. This is a small private concern at Cheruvaranam, about two miles to the south-west of the Thannirmukkom landing place. It is typical of the many small concerns run by individual owners on the country-side. It was established in 1100 with 16 mat looms and at present, according to the owner's statement, there are 46 looms. When our Chairman visited the factory on 8-3-1939, there were not more than 10 looms in evidence, most of them being crude, old ones, housed in a thatched rickety old shed. Possibly a number of looms are put aside as too old and useless.

2. The following allegations were made by the Union against the factory owner:—

(i) That for the last 15 years wage reduction has been steadily going on.

(ii) That the present rates of wages are not adequate to meet even the primary requirements of the labourers.

(iii) That heavy and unjust fines are imposed on the workers for flimsy reasons.

(iv) That the labourers are subjected to various exactions by moopans, etc.

(v) That Sunday is also a working day.

(vi) That payment of wages is made in kind and irregularly.

(vii) That the employer does not officially recognise the Coir Factory Workers' Union.

(viii) That the labourers have to work under unsatisfactory health conditions:

(a) that good drinking water is not available,

(b) that there is no proper ventilation, and

(c) that there are no latrines.

(ix) That there is no security of tenure for the workers and that they are victimised for Union work.

(x) That the landing and loading charges are taken out of the wages of the workers.

3. On the 16th February 1939, the factory owner appeared before the Board and submitted an oral counter-statement, answering the charges made by the Union. The case was heard on 24-2-1939, on which date the factory owner supplemented his first statement by an oral deposition.

M. Govindan, a mat weaver, who had been working in the factory for 14 years, gave evidence for the Union. The employer did not lead evidence at all.

4. The results of the enquiry into the allegations made against the factory owner are set forth below :

(i) *That for the last 15 years, wage reduction has been steadily going on.*

In his statement made before the Board, on 16-2-'39, the factory owner said that in 1107, a reduction of 4 cash in the rates per mat was made, but that since then, no reductions had been made.

Govindan, witness, who has worked for 14 years in the factory, stated that, during the period, rates had been reduced on three occasions and that the last reduction was made three years ago. The reductions were at the rate of 4 cash at a time.

This is not a specific point for conciliation. From the admissions of the factory owner and from evidence given, we have no doubt that wage rates have been reduced successively. The employer has no wage books and no accounts; and so, it is not possible to say how often, under what items and to what extent reductions have been made.

(ii) *That the present rates of wages are not adequate to meet even the primary requirements of the labourers.*

The factory owner has stated that, at present, a worker makes, on the average Rs. 8 to Rs. 10 per month and that children make Rs. 5 to Rs. 6.

Witness Govindan stated that, on the average, he made only Rs. 5 to Rs. 6 per month. Considering the rates and the number of mats a worker can make per day, we believe this statement to be true. For instance, a worker makes about 5 mats, No. 2 size, per day. The rate per mat is $1\frac{3}{4}$ ch. At this rate, a worker will earn $8\frac{3}{4}$ ch. per day. On the average, he does not get work for more than 20 days per month. His monthly earning would, therefore, be roughly Rs. 6. Whether this amount is adequate for the primary requirements of a worker is a different question and will be dealt with in our general report on the questions referred to the Board.

(iii) *That heavy and unjust fines are imposed on the workers for flimsy reasons.*

The factory owner has stated that no fines are imposed by him. This has not been contested by the labour representatives or by their witnesses. But the employer admitted that, if

a mat is spoilt in the making, he paid no wages for that particular mat and the spoilt mat would remain his property. He said that, in a month about 50 mats would be found spoilt, in the sense that they would not be passed by his customers in Alleppey. If he takes 50 doz. mats to Alleppey, 4 to 5 doz. mats would be rejected for bad workmanship. He sells the rejections at whatever price he can fetch at Alleppey, generally at 9 pies per sq. ft. By withholding the wages, he gets 4 pies a sq. ft.

The whole question of fines and penalties will be dealt with in our general report. As far as this particular factory is concerned, the withholding of the entire wages for a piece of work and the appropriation of the article produced by the employer himself seem to have assumed the nature of so serious an issue between himself and his workers as to necessitate the intervention of the police. It is significant that even a worker who had been in his employ for 14 years found it necessary, on this score, to carry a complaint to the police. A more sympathetic attitude and better supervision on the part of the factory owner would have been reciprocated by his workers and brought down what is undoubtedly a high proportion of spoilt mats. On the other hand, it is up to the workers and to the Union to see that no cause is given for the complaint that articles are wilfully or carelessly spoilt, as was alleged by the employer.

(iv) *That the labourers are subjected to various exactions by moopans, etc.*

In his original statement, the factory owner said that he employed no moopans and no contractors; but in his second statement he admitted that he had one moopan who was employed on a salary basis. Witness stated that he had never paid anything to the moopan.

Occasionally the workers were asked to do the thatching of the factory shed and for this work, they were given a meal and no more, a practice which we consider should cease forthwith.

The employer admitted that he used to take dharmavu from the wages, but after the strike, he stopped the practice, out of deference to the opposition of the Union and he also stated that he would not revive the collection of dharmavu.

(v) *That Sunday is a working day.*

The employer admitted that when there is urgent work to be done, the labourers would be asked to work on Sunday also. The labour representatives and their witness, did not press this complaint, probably because, to compensate, there would generally be several days in the month with no work at all.

(vi) *That payment of wages is made in kind and irregularly.*

The factory owner stated that he runs a shop (provision store) and that nearly all articles usually in requisition by the workers are stocked by him. He said he issued chits to the workers for payment in kind at his shop; but that he did so only when his workmen asked for such payment. He buys goods for the shop from merchants in Shertally and makes a profit on them.

Witness stated that the manager issued chits; but that there was no compulsion. If, however, a worker did not purchase provision from the shop, he would incur the displeasure of the manager. Witness had sold rice in order to obtain cash for other requirements.

The complaint is fully established and the employer has stated before the Board that he is willing to stop the practice of paying wages in kind. He is also prepared to welcome legislation generally prohibiting the system.

In the course of the hearing of the case, it came out that there was another charge against the factory owner, viz., that he used to keep pots of toddy on the factory premises. The moopan was stated to have been responsible for the distribution of toddy to the workers inside the factory. Witness stated that this practice existed up to the strike, but that it had been stopped since.

The factory owner admitted that he had taken a toddy shop on contract. It was a mile distant from the factory. He emphatically denied that toddy was at any time distributed to the workers inside the factory. We consider that it would serve no useful purpose to probe into the past. After the strike, there has been no complaint in regard to this matter and the employer has expressed his intention not to resort to payment of wages in kind and we take it that hereafter he would not do so in any form whatever.

With regard to regularity of payment of wages, the employer stated that now he pays wages every 15th day and that it is his intention to continue to do so. Weekly payments, he said, were out of the question in his case. Witness stated, that, though there was no definite date for payment, generally speaking, at present wages were paid every 15th day.

(vii) *That the factory owner does not officially recognise the Coir Factory Workers' Union.*

In regard to this complaint, the factory owner has stated before us that he now recognises the Union and has no objection to doing so. He thinks that, if differences arise, it would be difficult to act, if he is to do so only after discussing the matter with the Union. He has, however, stated that he is willing to settle with the Union any dispute arising in the factory.

(viii) *That the labourers have to work under unsatisfactory health conditions:*

- (a) *Good drinking water is not available,*
- (b) *There is no proper ventilation,*
- (c) *There are no latrines.*

The shed is open on all sides, but it could easily have been more spacious, without appreciable additional expense, especially in a place where land is cheap and there is plenty of it on all sides of the factory. More elbow-room should certainly be allowed between loom and loom.

Water in the locality is generally bad. The water in the tank near the factory is unfit for drinking. The employer should provide in the factory the best water available for drinking.

The factory owner should provide closets to serve as latrines. It is no excuse to say that there is plenty of open space round about. Closets can be made cheaply and easily maintained in sanitary condition in the sandy soil.

- (ix) *That there is no security of tenure for workers and that the workers are victimised for Union work.*

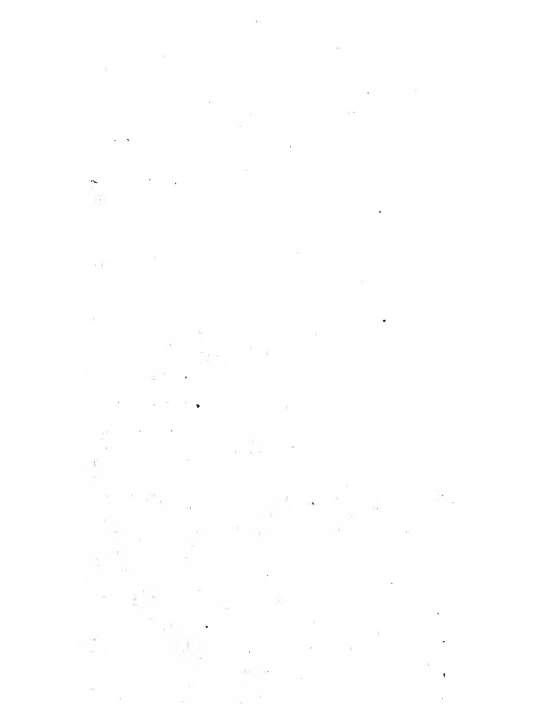
The employer denied that his workers have no security of tenure and that they are victimised for Union work. He had recently dismissed a worker for persistently turning out defective work. He paid him the entire wages even for the defective mats and dismissed him. This particular worker had been in his employ for four years.

The one witness produced by the Union had himself worked in the factory for 14 years. We do not consider that there is any reason to believe that there is no security of tenure for the workers in this factory.

- (x) *That the landing and loading charges are taken out of the wages of the workers.*

In his first statement before the Board, the employer denied that the landing and loading charges were taken out of the wages of the workers. But in his second statement, he admitted the charge. Now he has stopped the practice and has agreed that he would not revive it.

Sd.	K. George	Chairman
"	H. Smith	Member
"	N. Sankara Mannar	"
"	P. N. Krishna Pillai	"
"	V. K. Achuthan	"



REPORT ON THE DISPUTE IN
THE COCOA CARPET AND RUG MANUFACTURING Co.,
KALAVANCODE, SHERTALLY:

1. This is a factory situated at Kalavancode, about three miles to the north west of Shertally town. It was established ten years ago with 12 mat looms. Now there are 73 looms, of which 37 are matting looms, 30 mat looms and 6 frame looms.

2. In the statement of their case filed before the Board on 16-2-1939, the Travancore Coir Factory Workers' Union made the following allegations against the management of the factory :—

(i) That for the last 15 years wage reduction has been steadily going on.

(ii) That the present rates of wages are not adequate to meet even the primary requirements of the labourers.

(iii) That various processes of work are carried out through contractors which results in the payment of low wages and loss of security of tenure for the workers.

(iv) That payment of wages is made in kind and irregularly.

(v) That Sunday is also a working day.

(vi) That heavy and unjust fines are imposed on workers for flimsy reasons.

(vii) That out of the wages earned by the workers the company takes a portion as " dharmavu ".

(viii) That the labourers are subjected to various exactions by moopans, contractors, etc.

(ix) That the company does not officially recognise the Coir Factory Workers' Union.

(x) That the labourers have to do work under unsatisfactory health conditions :

(a) that good drinking water is not available,

(b) that there is no proper ventilation, and

(c) that there are no latrines.

(xi) That there is no security of tenure for workers and that workers are victimised for Union work.

3. The factory owner submitted to the Board, on 16-2-1939, a counter-statement answering the charges made by the Union. The case was heard on 24-2-1939 and 6-3-1939. Pappu and Raphael workers in the factory, gave evidence for the Union. On 6-3-1939, the factory owner supplemented his original statement by an oral deposition. He did not lead any evidence at all. The results of the enquiry into the allegations made against the management of the factory are set forth below:—

(i) *That for the last 15 years wage reduction has been steadily going on.*

As we have remarked in respect of other cases filed before the Board, this is not a specific point for conciliation. The factory has been in existence only for 10 years now. The question whether there has been any wage reduction during this period was, however, enquired into.

In his original statement, the employer has stated that, as a consequence of the general economic depression, wage reduction has been steadily going on in almost all the industries and the mats and matting industry also has been affected as much as the other industries. In other words, he has admitted that there has been some reduction in wage rates in his factory.

Raphael, a mat weaver in the factory, and witness for the Union, stated that the rate for No. 1 mats was reduced from $1\frac{1}{2}$ ch. to $1\frac{1}{4}$ ch.; for the Vycome mats, from 2 chs. to $1\frac{1}{2}$ ch. and for B. F. mats, from $2\frac{1}{4}$ chs. to $1\frac{1}{2}$ ch.

Pappu, a matting weaver, and witness for the Union, stated that for the Vycome 2—shaft $4\frac{1}{4}$ plain matting, the rate was reduced from Rs. $2\frac{2}{3}$ to Rs. $1\frac{1}{4}$, and that for the beach 2—shaft matting, the rate was reduced from Rs. $1\frac{1}{10}$ to Rs. $1\frac{1}{7}$; and for the Vycome tile matting, from Rs. $2\frac{1}{4}$ to Rs. $2\frac{1}{2}$.

In his oral deposition before us on 6-3-1939, the employer, except for slight variations, practically confirmed the evidence of the Union witnesses.

(ii) *That the present rates of wages are not adequate to meet even the primary requirements of the labourers.*

As we have already remarked in respect of other cases enquired into, this is only the expression of the general opinion of the Union. The question of low wages applies generally to the whole industry and will be dealt with fully in our general report.

In his original statement, the employer has stated that, if there is work throughout the month, a full-time weaver can earn Rs. 12 to 15 a month. In his opinion, this was sufficient to maintain a worker's family in more or less decent comfort.

Pappu, matting weaver, and witness for the Union stated that the maximum earning he made was Rs. 9 per month and the lowest Rs. 5/8. Raphael, mat weaver, stated that his earning in January 1939, was Rs. 8. He did not remember to have earned Rs. 12 in any month in recent times.

The factory owner contends that the highest earnings of a man working for 26 days may go up to Rs. 19 per mensem and that the average earning would be Rs. 12 per mensem.

On a reference to his wage books, it was found that in the wage period 19th November to 2nd December 1938, the highest earning was Rs. 6-10-4, and the lowest Rs. 2-8-0. In the next two weeks, the maximum wage earned was Rs. 6-5-11.

We find that the maximum earning might, in some cases, be about Rs. 12, but the average earning is considerably below Rs. 12 per month.

- (iii) *That various processes of work are carried out through contractors which results in payment of low wages and loss of security of tenure for the workers.*

In his counter-statement, the employer has stated that contract work is rare in his factory. No evidence on this point has been produced by the Union. When the Chairman and two members of the Board visited the factory, it was found that such items as stencilling, landing and loading were done through contract work.

The practice of getting various items of work done through contractors is common in the industry. The question will be discussed in our general report.

- (iv) *That payment of wages is made in kind and irregularly.*

In his original statement, the factory owner stated that his factory is situated in an isolated place where there is no other source of procuring provisions except a small shop run by him and that he supplies provisions in lieu of wages only at the request of the workers, and that there is no compulsion to buy anything from his shop.

Pappu, witness, said that in the employer's shop rice and provisions, including cloth, are stocked and that he has also got a tea shop. He issues chits to the workers to be paid in kind at the shop. Before the strike, it was compulsory that the workers should take chits. Now there is no compulsion. Even now chits are issued if they are asked for. The shop rates, witness continued, are higher than the market rates. One rupee worth of rice from the shop would be less by two *nales* than the measure obtained in the market. They were regularly losing on account of the system of payment in kind. He also said there were other shops in the neighbourhood.

Witness Raphael stated that he had also received chits for payment in kind from the manager's shop.

In his written statement as well as in his oral deposition, the employer admitted that the practice of payment in kind was obtaining in his factory. At first he stated that the practice was resorted to because there were no provision shop

other than his own in the neighbourhood. In his oral deposition, however, he admitted that there were other shops nearby, but that his shop was more convenient to his workers. His prices were comparatively lower than those of others. The shop had existed before the establishment of the factory and other shopkeepers bought goods from his shop. His workmen had not asked that payment in rice should be stopped. He had frequently refused to issue rice, but still the workers persisted in obtaining rice. When the Chairman and two members of the Board visited the factory on 7-8-1939, it was found that there was the provision shop as well as the tea shop on the premises of the factory. We gained the impression that the articles sold in those shops were of an inferior quality.

There is no doubt that the two shops have played a very important part in running the business of the factory. It is also beyond doubt that at least a section of the workers are definitely against the practice of payment in kind. After the general strike, several workers have refused to receive wages paid in kind and the factory owner himself has found it necessary to limit such payment to those who will take them without demur.

The employer has agreed that wages should not be paid in kind and he would welcome legislation enforcing payment in cash only.

As regards regularity of wage payments he has stated that he now pays wages regularly every two weeks. Both the witnesses stated that before the strike wages were paid at long intervals, even as long as 6 months. After the strike, they admit that wages are paid every 15th day. The employer also stated that it was not possible to pay wages at intervals shorter than two weeks on account of the fact that the manufactured goods had to be sold and cash obtained before wages could be disbursed. He would adhere to the 15 days interval as convenient to him.

(v) That Sunday is also a working day.

In the first statement the employer said that under normal circumstances, no work is done on Sundays; but if in the interests of the industry, work on Sunday was necessary, the men would be asked to do so. Such necessities did not arise very often. Witness Pappu has stated that work on Sundays was a regular practice up to the general strike and that after the strike only on two Sundays was there no work. On one Sunday, no worker went to the factory and the following day, there was a lock-out. Just a few workers, closely related to the manager, were allowed in. The lock-out was maintained for 4 days. These statements have been admitted by the

employer himself. The Manager of the factory and the managers of other factories in the neighbourhood made a pact with the workers and on the 5th day, work was resumed. Witness continued that, for compensating work on a Sunday, another day in the week was not declared a holiday.

In his oral deposition, the factory owner stated that it is not possible to abolish Sunday work as urgent work may necessitate work on Sundays also. He has undertaken to let the workers have another day off to compensate for Sunday work.

(vi) *That heavy and unjust fines are imposed on the workers for flimsy reasons.*

In regard to this charge, the factory owner has stated that before and after the strike, he has made deductions from wages for defective work and that his motive in making such deductions is deterrent and not disciplinary. He considers that deductions for defective work should go to the factory owner to make good his loss.

The Union's witnesses have not stated that heavy fines are frequently imposed. Pappu, witness, stated that he had not been fined for 2½ years, but that recently after the strike, he and his co-worker on the loom were fined Re. 1 on the ground of low weft count. He believed that this was because he stood by the Union during the strike. The fine was deducted from his wage of Rs. 2/4. Witness Raphael was fined twice at the rate of 2 as. at a time, after the strike. The real point in the complaint is that they consider the imposition of these fines as victimisation for having taken part in the strike. They also object to the moopans imposing fines on them.

The question of fines will be discussed at length in our general report.

(vii) *That out of the wages earned by the workers, the company takes a portion as "dharmavu".*

The employer has admitted that he collected dharmavu at the rate of 4 cash per rupee, per wage payment. The amount so collected was used for charitable purposes. According to him, his workers had allowed the recovery of dharmavu at the rate mentioned. The witnesses for the Union have stated that Dharmavu is not taken with their consent and that they do not know what is done with the money collected. Witness Pappu has stated that up to the strike, 8 cash in the rupee was the rate of dharmavu, but after the strike, only 2 pies per rupee was being charged. There is no evidence to show that the workers have allowed the collection or that the money is spent on charity. Nor is there any

virtue in doing charity at other people's expense, particularly at the expense of the poor. If it is meant that the money is spent on charity for the workers themselves, there is no evidence for it and the workers have no knowledge of the matter either. In his oral statement, the employer stated that up to the strike he collected dharmavu regularly at the rate of 4 cash in the rupee, but that, after the strike, he did not do so for two or three wage payments. He resumed the practice subsequently, although he was perfectly aware that it was one of the standing complaints of his workmen.

He has, however, agreed to stop it, as his workers object to the practice. We consider that he should do so once for all.

- (viii) *That the labourers are subjected to various exactions by moopans, contractors, etc.*

The employer has admitted that moopans used to take moopukasu. One witness stated that the rate was 1 anna per month, while the other witness stated he paid at the rate of 3 chs. per month. All are agreed that, after the strike, the practice has not been much in evidence. The employer has stated that the moopans are now paid monthly at the rate of Rs. 15 by himself. There is, therefore, no more need for the moopukasu being charged and the employer has also stated that the workers can take their complaints to him and that, they would not be penalised in any manner.

- (ix) *That the company does not officially recognise the Coir Factory Workers' Union.*

In his counter-statement, the employer stated that the Coir Factory Workers' Union had not so far approached him for official recognition of the Union. Further he stated that he is not agreeable to settle disputes by discussions with the Shertally Union.

In our opinion, it would be in the employer's own interest to recognise officially and get on amicably with the local Union, as long it is a body registered under the Trade Union Act.

- (x) *That the labourers have to work under unsatisfactory health conditions.*

The factory owner has stated that there is a well in the factory grounds, which supplies good drinking water all round the year. Drinking water is also supplied in pots. The factory is thatched with coconut leaves and there is enough room between loom and loom. The factory grounds comprise 2 acres of land. When the Chairman and two members of the Board visited the factory, they found two latrines on the premises for the use of the workmen.

They were also satisfied that health conditions in the factory do not compare unfavourably with other factories of the kind.

- (xi) *That there is no security of tenure for workers and that workers are victimised for Union work.*

In his original statement the employer has stated that permanency of tenure depends upon the orders received and that no labourer is victimised for being a member of or for working for the Union. As against this, there is the evidence of the Union's witnesses that they were marked out for fines for having taken part in the strike. Witness Pappu has also stated that after the strike about 20 workers have been dismissed. Witness also stated that two members and the convener of the factory committee of the Union were dismissed from work in the factory.

The employer has admitted that he dismissed about 10 workers and that some others left the factory after the strike, but he was not sure whether they were members of the factory committee or not.

The fact is clear that after the strike some of the workers who appeared to him to be the leaders of Trade Union work were visited with his displeasure by dismissal from service. We have no evidence to show whether they were so dealt with merely on account of trade union activities. The employer has not made any other complaints against them. In the circumstances, we consider that he should take the dismissed workmen back to work.

Sd. K. George,	Chairman.
„ H. Smith,	Member.
„ N. Sankara Mannar,	„
„ P. N. Krishna Pillai,	„
„ V. K. Achuthan.	„



REPORT ON THE DISPUTE IN C. GEORGE PETER'S FACTORY, EZHUVINNA, KUTHIATHODE.

1. This is a mofussil factory at Ezhuvinna, Kuthiathode, in Shertalla taluk. The proprietor has also got a factory in Alleppey town. He has 273 mat looms and 68 matting looms at Ezhuvinna and 51 matting looms in Alleppey.

2. In the statement of their case filed before Board on 16-2-1939, the Travancore Coir Factory Workers' Union made the following allegations against the management of the factory.

(i) That for the last 15 years wage reduction has been steadily going on.

(ii) That the present rates of wages are not adequate to meet even the primary requirements of the labourers.

(iii) That various processes of work are carried out through contractors which results in payment of low wages and loss of security of tenure for the workers.

(iv) That payment of wages is made in kind and irregularly.

(v) That Sunday is also a working day.

(vi) That heavy and unjust fines are imposed on the workers for flimsy reasons.

(vii) That out of the wages earned by the workers the employer takes a portion as "dharmaavu".

(viii) That the labourers are subjected to various exactions by moopans, contractors, etc.

(ix) That the employer does not officially recognise the Coir Factory Workers' Union.

(x) That the labourers have to work under unsatisfactory health conditions:—

(a) that good drinking water is not available;

(b) that there is no proper ventilation; and

(c) that there are no latrines.

(xi) That there is no security of tenure for the workers and that they are victimised for Union work.

3. On 16-2-1939, the proprietor submitted to the Board a counter-statement answering the charges made by the Union. The case was heard on the 10th March 1939, on which date the employer supplemented his original statement by an oral deposition. Neither the Union nor the employer has let in evidence.

4. The results of the enquiry into the allegations made against the management of the factory are set forth below:—

- (i) *That for the last 15 years, wage reduction has been steadily going on.*

The factory has been in existence only for a little over 13 years now. In his original statement, the employer has stated that with the agreement of the labourers, there have been reductions or adjustments of wages and that, otherwise, the factory would have been closed down long ago. In his oral deposition, he stated that in certain items of work there have been substantial reduction in rates of wages. The largest reduction was made in the case of the pappada thadukku (croel mats), but as these formed only a small fraction of the mats made, the reduction did not affect the labourers substantially. When an order was received by him and it could not be executed properly without a reduction in the rate of wages, he consulted the workmen and he took up the order only if they agreed to take the lower wage. Any alteration in rates was put up on the board for the information of the workmen.

As we have already remarked in regard to other cases there is no point for conciliation here. The factory owner has admitted that substantial reductions have been made in rates of wages. His contention is that such reductions were made to suit general trade conditions and not to exploit labour.

- (ii) *That the present rates of wages are not adequate to meet even the primary requirements of the labourers.*

The factory owner has stated that considering the wages earned by the people of the locality for other kinds of work, the wages earned in his factory are considerably to the workers' advantage. This, we must observe, does not prove that their wages are adequate.

With regard to actual earnings, the factory owner has stated that in his factory, every matting weaver can fairly earn 10 as. a day, on an average. If they exerted more, they could earn more. Four rolls of Vycome 4/4 mattings could be completed by two men in a week, which would mean Rs. 7 per week per man. Most of the mat weavers got between 12 and 16 chs. per day. On the average, they got 10 to 12 chs. per day. The minimum earning of a stenciller was Rs. 5 per week. There were people who even earned Rs. 6 in a week.

As we have remarked in respect of other cases, the complaint of low wages is applicable to the whole industry and hence it will not serve any useful purpose to discuss it as a point of dispute with individual factory owners. The question will, therefore, be dealt with fully in the general report.

- (iii) *That various processes of work are carried out through contractors which results in payment of low wages and loss of security of tenure for the workers.*

The employer has categorically denied this. He has stated that there is not a single contractor in any of the departments of work in his factory. Nor had he ever employed a contractor during the last 13 years of the factory's existence.

- (iv) *That payment of wages is made in kind and irregularly.*

In regard to this charge, the factory owner has made the following written statement :

" During the first four years all payments were made in cash, but at that time it was found that they were borrowing heavily from the petty shops close by and all the wages earned were paid direct to the shop-keepers and they were invariably buying their weekly requirements on credit. The shop-keepers having no certainty about recovering the dues invariably maintained exorbitant prices. Since the workers were found in this sad plight and for their own good, we found it necessary to open a provision store and we are making supplies at more favourable rates. The rates of wages are also adjusted according to payment in kind and payment in cash. Where payment in cash is resorted to, the wages are lower by as. 2 in a Rupee. For example, for a Vycome tile matting, when the wages are paid in cash, we pay Rs. 2 per roll, and when paid in kind, we pay at the rate of Rs. 2/4. We may also state here that in the neighbouring factories the wages paid in cash vary between Rs. 2 and Rs. 1/12 per roll. On all accounts, therefore, we pay higher wages. And payment is invariably made weekly. There is nothing in arrears. On the contrary, the larger number of workers owe money to the depot".

He has affirmed the above statements in his oral deposition. He has also said that wages are not only paid weekly, but also daily, i. e., as soon as a roll of matting is completed, the wages therefor are paid to the workers.

These statements have not been controverted by the Union.

Further the employer has said that he is prepared any moment to stop payment of wages in kind, i. e., to the extent that it obtained in his factory and to pay in cash. He thought it was a great trouble to keep a shop to supply goods to the workers. In his Alleppey factory he paid cash every Saturday.

He was agreeable to enactment on the lines of the Payment of Wages Act of British India.

(v) *That Sunday is also a working day.*

In regard to this complaint, the factory owner has stated that it is an unalterable rule in his factory that no work is to be done on a Sunday, whatever be the pressing nature of the orders. During the last five years, they had not worked the factory even on a single Sunday. The allegation appears to be unfounded.

(vi) *That heavy and unjust fines are imposed on workers for flimsy reasons.*

The employer has stated that fines could not altogether be avoided, as, otherwise, it would be impossible to maintain quality. In his oral deposition, he has stated that during the last two years, he had not recovered more than three rupees by way of fines and during the last six months, he had not imposed any fines. Unless there was gross negligence, he did not impose a fine. If a roll of matting was completely spoilt, he did not pay the wages therefor. The material was retained by himself. There is nothing specially heavy or unjust in all this and so we do not feel called upon to make any remarks on the point here; but the general question of fines will be dealt with in our report.

(vii) *That out of the wages earned by the workers, the company takes a portion as "dharmavu".*

C1 The factory owner has completely denied this and said that no 'dharmavu' is ever taken from the workers. The allegation has not been proved.

(viii) *That the labourers are subjected to various exactions by moopans, contractors, etc.*

As regards contractors, it has already been found that none is employed by the factory. The manager contended that exactions by the moopans were not tolerated by him. The moopans would be dismissed if any attempt is made to collect anything from the labourers.

There are moopans in the matting, mats and carpet sections. The moopans get a commission on the work done, e. g., the matting moopan gets 1 ch. per roll of matting. He is also paid a monthly salary of Rs. 15 from the factory. The mats moopan does not get any pay. He gets 4 cash on every mat made.

These commissions are deducted from the stipulated wages of the workers. The proprietor protests that a commission of this kind cannot be called an 'exaction'. He says that if the wages for a roll of matting is Rs. 2-7 chs., the workers know beforehand that the rate includes moopan's commission of 1 ch., so that the rate is really only Rs. 2-6 chs.

The employer has also stated that the advantage of the above practice is that in dull seasons, the burden of paying the full remuneration to the moopans does not fall on the factory. In his estimate, a moopan should get Rs. 30 per mensem for the work he does.

The system in force in this factory is, in our view, a modified form of contract. Our views on the contract system of work will be given in the general report.

- (ix) *That the company does not officially recognise the Coir Factory Workers' Union.*

The factory owner has stated that he has no objection to recognising the Union. He likes that an organisation of the kind should function and is of opinion that it is likely to be helpful both to the employers and the labourers.

- (x) *That the labourers have to work under unsatisfactory health conditions :*

- (a) *that good drinking water is not available ;*
- (b) *that there is no proper ventilation; and*
- (c) *that there are no latrines.*

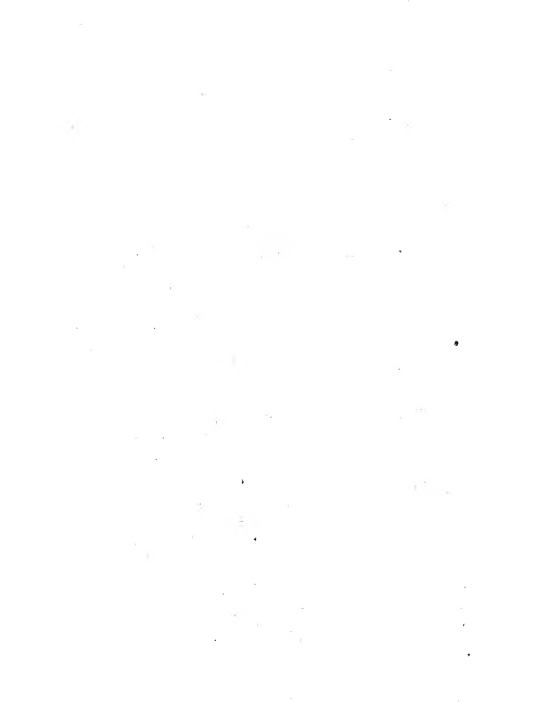
The employer has stated that the best water available is provided and supplied to the workmen in pots. The sheds are open on all sides and open to breeze and so the question of ventilation does not arise.

As regards latrines, the employer has admitted that no latrines are provided for men workers and that they can freely resort to the open spaces round about. We wish to observe that as long as there is a demand for latrines, the factory owner should provide them.

- (xi) *That there is no security of tenure for workers and that they are victimised for Union work.*

In regard to this complaint, the employer has stated that he made no distinction between Union members and others and that, therefore, there was no possibility of victimisation. The charge was not proved.

Sd.	K. George,	Chairman
"	H. Smith,	Member
"	N. Sankara Mannar,	"
"	P. N. Krishna Pillai,	"
"	V. K. Achuthan.	"



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PART II.
GENERAL AND LABOUR CONDITIONS.

2. The second part outlines the specific procedures for recording transactions. It details the steps involved in the accounting process, from the initial entry to the final reconciliation.

3. The third part addresses the role of the accounting department in ensuring compliance with relevant laws and regulations. It highlights the need for regular audits and the importance of staying up-to-date with changes in the regulatory environment.

4. The fourth part discusses the impact of technology on accounting practices. It explores how modern accounting software can streamline processes and reduce the risk of errors.

5. The fifth part provides a summary of the key points discussed in the document. It reiterates the importance of accurate record-keeping and the role of the accounting department in maintaining the integrity of the organization's financial data.

6. The sixth part includes a list of references and sources used in the document. It provides a comprehensive overview of the research and information that informed the document's content.

7. The seventh part contains a list of appendices, which provide additional information and data related to the document's subject matter.

8. The eighth part includes a list of figures and tables, which present the data in a visual format that is easy to understand.

9. The ninth part contains a list of footnotes, which provide additional information and references for the document's content.

10. The tenth part includes a list of references and sources used in the document. It provides a comprehensive overview of the research and information that informed the document's content.

CHAPTER I.

A General View of the Mats and Matting Industry.

Scope of this Part of the Report.

The duty of the Board under the Trade Disputes Act is primarily to endeavour to bring about a settlement of the dispute referred to it. As far as the dispute could be confined to individual factories, the Board's duty has been carried out as recorded in Part I of our Report, wherein we have dealt with the specific cases submitted by the Travancore Coir Factory Workers' Union for conciliation under the Trade Disputes Act. But the G. O. appointing the Board has also directed that "the Board will enquire into the labour conditions prevailing in the whole of the mats and matting industry with particular reference to the following and other points mentioned in the memorandum presented by the Travancore Labour Association to the District Magistrate, Quilon, in connection with the enquiry conducted by him, viz., (i) standardisation of wages, (ii) the question of payment in kind, i. e., the truck system, (iii) imposing restrictions on the establishment of factories with a view to avoid mushroom factories with no capital springing up and prejudicially affecting both employers and labourers; and submit a report to Government with suitable recommendations for the removal of the grievances of labourers, on the lines indicated in Section 7 of the Trade Disputes Act". Under Section 7, the Board is empowered to 'investigate, in such manner as it thinks fit, the dispute and all matters affecting the merits thereof and the right settlement thereof.' This part of our report, therefore, embodies the results of our enquiries into the general and labour conditions prevailing in the industry, with particular reference to the points indicated in the Government order.

The Nature of the Enquiries Conducted.

At the very commencement of our work, we decided that, as far as possible, a complete census of coir mats and matting looms in Travancore should be taken, recording the name and address of every owner of every loom. Mr. V. K. Achuthan, a member of the Board, was deputed to carry out this work and he was given the assistance of a clerk. The census was completed in a month's time.

Soon after we started work, we issued a comprehensive questionnaire (*vide*, Appendix 1). The questionnaire, in English or Malayalam, was sent to about 300 persons, including factory owners and employers in general as well as

labour associations and other persons interested in the industry. A special questionnaire was also addressed to the Chambers of Commerce in Alleppey (*vide* Appendix II). Written replies to the questionnaire were received only from the seventeen sources mentioned below :-

1. The Travancore Chamber of Commerce, Alleppey.
2. The Alleppey Chamber of Commerce, do.
3. Darragh Smail & Co., Ltd., do.
4. Peirce Leslie & Co., Ltd., do.
5. William Goodacre & Sons Ltd., do.
6. Aspinwall & Co., Ltd., do.
7. Madura Company Ltd., do.
8. S. Pitchu Iyer & Sons, Ltd., do.
9. The Modern Agency, do.
10. The Indian Coir Manufacturing Co., do.
11. S. E. Kareem & Co., do.
12. The Travancore Coir Factory Workers' Union, Alleppey.
13. The Associated Cottage Industries & Shippers' Union, Shertally.
14. The Travancore Coir Cottage Industrial Societies, Shertally.
15. The Coir Factory Workers' Union, Shertally.
16. The Coir Factory Workers' Union, Muhamma.
17. V. J. Antony's Factory, Thaikattucherry.

The response to the questionnaire, we regret to say, was not very encouraging. In our opinion, this was largely due to the fact that it required a great deal of study and labour to furnish correct and definite answers to most of the questions asked. However, the replies that were received, particularly those from the big factory owners in Alleppey and the two Chambers of Commerce, were prepared with great care and thoroughness and they placed at our disposal an amount of valuable information which we could not otherwise have easily gathered.

Another important line of enquiry that we conducted was in regard to the family budgets of coir factory workers. The aim was to obtain first-hand information about the cost of living and standard of living of the workers. A special staff was appointed for this purpose and within a period of two months, information about 1400 families was collected in 7 centres of the industry. The tabulation and consolidation of the data obtained took another two months. The results of this enquiry form Part III of the Report.

Further, we tried to collect statistics relating to factories, in respect of wage rates, earnings, production, profits and losses etc., for the last ten years. For this purpose, we

issued a schedule to be filled up and returned by the factory owners. In regard to this schedule, the response was very poor. In fact, out of a total number of about 290 factories* to whom the schedule was sent, returns have been received only from the 6 factories named below :—

1. William Goodacre & Sons Ltd., Alleppey.
2. Peirce Leslie & Co., Ltd., do.
3. Darragh Smail & Co., Ltd., do.
4. George Peter, do.
5. K. S. Gangadhar Iyer & Co. do.
6. The Modern Agency, do.

Here again, we may observe that the poor response has to be ascribed to the labour and trouble involved in collecting and tabulating the information called for and also to the absence of a proper system of book-keeping in many of the factories.

Further, we obtained much valuable information on various aspects of the industry and on the labour problem, in the course of the hearing of the specific cases of dispute, in eight individual factories submitted to us for conciliation.

We also recorded the oral evidence of six representative employers and of four representatives of labour, who, on account of their long experience and intimate knowledge of the industry, could be regarded as expert witnesses. The examination of these experts lasted for about 12 days and covered all the varied problems affecting the industry. The names of the said witnesses are given below :—

Employers' Representatives.

1. Mr. E. L. Pollard (Messrs. William Goodacre & Sons Ltd., Alleppey).
2. „ A. Meadows, (Messrs. Peirce Leslie & Co., Ltd., Alleppey).
3. „ A. V. Thomas, (Messrs. A. V. Thomas & Co., Ltd., Alleppey)
4. „ M. L. Janardhana Pillai (Messrs. The General Supplies Agency, Alleppey).
5. „ K. C. Karunakaran (Messrs. The Alleppey Co., Ltd., Alleppey).
6. „ N. C. John (Messrs. The Indian Manufacturing Co., Alleppey).

* The term 'factory' is used here, not as defined in the Travancore Factories Act but as understood in ordinary parlance—all premises where the mats and matting industry is carried on.

Labour Representatives.

1. Mr. P. K. Padmanabhan.
2. „ V. A. Simon.
3. „ K. K. Kunjan.
4. „ K. Ayyappan.

The Chairman, accompanied by the labour members of the Board visited 10 factories, in the town and the districts, in order to gain first-hand knowledge of the working conditions obtaining in typical factories.

Extent of Production and Export.

Before we begin the consideration of the general questions referred to us, it seems to us to be advisable to give a general view of the mats and matting industry in Travancore as a whole, in order to present a correct picture of the position and importance of the industry in the economic life of Travancore.

The coir mats and matting industry was introduced into Travancore, in the year 1859-60, by the late Mr. James Darragh, the founder of the firm of Messrs. Darragh Smail & Co., Ltd. of Alleppey. He opened a small factory on the beach, in Alleppey, where mats and mattings were first manufactured on boards and looms with the assistance of a few trained weavers from Bengal.

The first market for coir manufactures was the U. S. A., but the business gradually extended to the U. K., Australia and New Zealand as well as to British India.

Available statistics of early shipments are given below; but there is no information regarding their destination:—

Year.	Coir mats (bundles.)	Coir mattings (rolls.)
1892-93	1882	3928
1893-94	1654	2519
1894-95	6595	5235
1895-96	6643	6551
1896-97	5915	7131
1897-98	6702	5457
1898-99	...	...
1899-00	...	7142

A statement showing the exports of coir matting from Alleppey to various destinations, in the period 1900-1901 to 1904-1905, is given below; but regarding shipments of mats, during this period, no information is available.

Exports of Coir Matting from Alleppey.
(in yards.)

Destination.	1900-01	1901-02	1902-03	1903-04	1904-05
United Kingdom	2,750	25,700	102,880	152,300	93,550
America	45,800	30,050	42,000	57,100	77,150
Germany	..	..	..	..	..
Belgium	..	..	..	..	..
Denmark	..	..	..	..	..
France	..	..	50	..	..
Australia	..	..	..	..	700
Africa	72	72	..	50	50
China	..	..	..	..	300
Japan	..	1,250	..	..	..
Straits	200	600	900	3,800	4,700
Ceylon	..	50	3,850	2,650	2,500
Burma	750	1,800	2,900	2,150	4,800
Calcutta	114,050	109,754	138,270	170,200	122,600
Bombay	154,200	258,900	335,350	185,450	179,650
Other Indian Ports	200	640	1,050	6,200	5,250
Total	318,022	428,816	617,250	579,700	498,250

The trade suffered a severe set back in the closing years of the last century owing to the imposition of high tariffs on coir manufactures in the U. S. A. During this period, direct shipments to the U. S. A., and the U. K., were very meagre and almost the whole production found its way into the North Indian markets. Exports of mats and matting to America became practically nil after 1898. From 1898 to 1908, no exports of mats seem to have taken place from either Alleppey or Cochin; but about the year 1908-09, direct shipments to the U. S. A., and U. K., appear to have been resumed.

The following statements exhibit the growth of the industry subsequent to the year 1909-10 to the year 1918-19.

For the period from 1908-09 to 1912-13, only the values of the exports of mats and mattings are available. The figures are given below :—

<i>Year.</i>	<i>Value of exports of mats and mattings. Rs.</i>
1908-09	2,92,883
1909-10	4,49,018
1910-11	14,96,371
1911-12	15,51,258
1912-13	8,55,187

The figures for both quantities and values of mats and mattings exports during the period 1913-14 to 1918-19 are given below :

<i>Year.</i>	<i>Coir mats. cwts.</i>	<i>Value. Rs.</i>	<i>Coir mattings. yds.</i>	<i>Value. Rs.</i>
1913-14	35,132	4,21,968	11,68,034	4,06,928
1914-15	26,897	3,84,261	8,78,535	3,17,638
1915-16	37,628	6,65,505	10,90,181	5,24,519
1916-17	24,123	3,74,421	7,86,650	4,30,020
1917-18	36,908	8,58,332	9,29,026	4,19,638
1918-19	...	10,81,468	9,32,330	7,31,294

The Post-war Period. After the war, under the impulse of the policy of economic nationalism, most of the European countries began protecting their home manufactures by erecting high tariffs against our manufactured coir goods. The U. K. alone has placed no tariff against our mats and matting. However, the industry has steadily expanded in volume during the post-war period, as is seen from the following figures of exports from Travancore as a whole :—

<i>Year.</i>	<i>Matting. yds.</i>	<i>Mats. cwts.</i>
1919-20	1,114,811	...
1920-21	1,117,369	...
1921-22	2,541,049	110,527
1922-23	2,597,350	145,021
1923-24	2,617,735	120,208
1924-25	2,629,807	140,992
1925-26	2,635,843	104,292
1926-27	3,621,753	213,175
1927-28	3,943,175	256,439
1928-29	4,603,529	173,382
1929-30	5,308,244	176,039
1930-31	4,362,186	173,396
1931-32	5,465,319	175,650
1932-33	6,983,281	196,017
1933-34	8,354,500	184,198
1934-35	7,457,383	195,518
1935-36	8,959,720	205,139
1936-37	9,678,080	258,108

From the above statement it is seen :

(1) that there has been a phenomenal increase in the production and export of mattings during the post-war period, from 1.115 million yards in 1919-20 to 9.578 million yards in 1936-37, *i. e.*, by about 860 *p. c.*

(2) that the increase under exports of mats is not so striking as in the case of mattings but is, nevertheless, very marked, having risen from 110,527 cwts in 1921-22 to 258,106 cwts in 1936-37 or about 233 *p. c.*

A variety of causes must have brought about the increased demand for coir goods in foreign countries. Probably the chief among them is the lower buying capacity of the consumer which has led him to take to a cheap floor covering where a more expensive one, *e. g.*, wool, jute, linoleum etc., was purchased in the past. Besides, the improvement in colours and designs and in the technique of manufacture has resulted in the production of an attractive looking article which the buyer can get at very cheap prices on account of the unrestricted competition among the producers. Improved dyeing has also made available a larger quantity of inferior qualities of yarn.

Spread of the Industry.

Until about the close of the war, the industry was mainly centred in Alleppey. The most striking feature in its development in subsequent years is the establishment of a large number of factories outside Alleppey, all along the coastal strip of the backwater area, from Arur in the north to Kadakkavoor in the south. The subjoined table shows the distribution of factories in Alleppey and the districts.

<i>Centre of industry.</i>	<i>No. of factories.</i>	<i>No. of matting looms.</i>	<i>No. of mat looms.</i>
Alleppey	41	2374	2180
Punnappra	54	11	723
Kalavoor	19	43	598
Sethulakshmiapuram	15	316	557
Shertally	73	811	1272
Kuthiathode	7	394	179
Vycome	5	103	40
Muhamma	67	108	1780
Quilon	9	172	21
	290	4335	7850

Our present markets. A list of our present (1937-38) buyers of coir mats and matting showing the extent of the trade with each is given below :—

Coir mats.

U. K.	71.8 per cent.
Australia and N. Z.	12.7 „
U. S. A.	3.5 „
Africa	2.9 „
Sweden	2.4 „
Norway, Arabia, Belgium, Canada, Holland, India, Germany, Malta, Straits-Settlements	6.7 „

Coir mattings and rugs.

U. K.	71.5 per cent.
Australia and N. Z.	10.8 „
U. S. A.	5.9 „
Holland	3.7 „
Africa, India, Arabia, Sweden, Belgium, Canada, Norway, Straits-Settlements, Finland, Malta, Turkey	8.1 „

*Foreign Manufacturers :—*Important among the countries manufacturing coir mats and mattings may be mentioned the following :—

U. K., Germany, Belgium, Holland, Italy, France, Canada, U. S. A., Portugal etc. This is reflected by the imports of coir yarn by those countries from the Malabar coast.

The following figures show the exports of coir yarn to the various countries in 1937-38 :—

EXPORTS OF COIR YARN (IN CWTs).

	From the Malabar Coast ports— 1937/38.			From Ceylon 1938.	Total.
	Alleppey.	Cochin.	Calicut.		
U. K.	52,672	59,577	22,571	24,418	159,238
Germany	43,714	96,311	47,625	33,000	220,650
Belgium	9,576	32,088	14,851	930	57,445
Holland	25,879	75,672	5,067	825	107,443
France	1,350	24,621	17,625	1,158	45,354
Portugal	3,059	20,760	..	..	23,819
Italy	13,056	30,406	10,140	1,456	55,058
America	6,958	13,896	11,314	..	32,168
Australia	9,600	4,152	189	4,655	18,546
	166,474	357,488	129,332	66,442	719,736

Germany is the largest coir yarn importing country. The United Kingdom comes next. Germany, France, Italy, Belgium and Holland are almost completely restricting the entry of coir manufactures by high tariffs, while they import large quantities of coir yarn from Travancore and Malabar. It is estimated that 80 per cent. of the imported yarn is used by these countries for the manufacture of mats and mattings. The balance is used for other purposes. From the following statement, it will be seen that the shipments of coir yarn from the Malabar ports to foreign countries has been fairly steady, in the neighbourhood of one million cwts, between the years 1928-29 and 1937-38.

The obvious inference is that there has been very little expansion of the manufacturing industry in foreign countries during the period.

SHIPMENTS OF COIR YARN FROM MALABAR PORTS. (IN CWTs.)

1st July to 30th June.	Coir yarn in cwts.				
	Alleppey.	Cochin.	Calicut.	Other Malabar Coast ports.	Total.
1928-29	373,400	621,310	197,747	16,535	1,208,992
1929-30	350,308	631,609	193,350	19,337	1,194,602
1930-31	327,884	591,221	172,205	13,895	1,015,205
1931-32	314,177	483,921	184,875	12,649	995,622
1932-33	291,683	508,356	170,316	12,722	983,077
1933-34	272,797	603,180	199,686	34,809	1,110,472
1934-35	235,717	637,067	195,107	44,297	1,112,181
1935-36	216,234	608,104	184,092	18,959	1,025,389
1936-37	216,540	586,040	187,907	25,173	1,015,660

These figures show that during the period under consideration the shipments were practically steady.

The following statement shows the value of manufactured coir goods (mats, mattings, rugs and druggets) exported from Travancore during the twenty years after the war :

VALUE OF COIR MANUFACTURES EXPORTED FROM
TRAVANCORE.

Year.	Value. Rs.
1918-19	1,812,762
1919-20	2,295,859
1920-21	2,461,745
1921-22	4,868,953
1922-23	6,196,536
1923-24	5,207,893
1924-25	5,275,737
1925-26	5,328,086
1926-27	8,063,159
1927-28	9,041,239
1928-29	8,710,754
1929-30	9,096,440
1930-31	8,285,965
1931-32	9,549,270
1932-33	10,476,633
1933-34	10,559,076
1934-35	14,786,510
1935-36	10,904,595
1936-37	11,657,202

The above figures show that during the post-war period, the value of our exports has been steadily increasing. Even the economic depression does not seem to have appreciably affected the total value of our exports. The highest amount was in 1934-35. The next year saw a heavy fall which was partially made good in 1936-37.

Classes of Those Doing Business.

Among those engaged in the industry the following classes may be distinguished.

(i) *Big manufacturing shippers.* If we bring under this category every manufacturer who controls at least 5 per cent. of the business, we find that there are not more than half-a-dozen of them. In fact some shippers secure as much as 15 per cent. of the business each, with the result that there are many shippers who secure percentages on the whole only calculable in three decimal points. From the export manifest of the Malabar Coast ports for exports during the year 1937-38, it is seen that four big manufacturing shippers controlled about 50 per cent. of the entire business. Nearly all of the big manufacturers have their main factories and offices in Alleppey, and,

at the same time, they also have, as a rule, branch factories in the districts or in the adjoining territories. They export not only the goods produced in their own factories, but also the produce of other small factories which they buy either in a finished condition or in a partly finished condition. Some of them are also shipping agents and they have their London offices and agents in the foreign markets.

(ii) *Small manufacturing shippers* :—There is quite a large number of them and naturally each one of them secures but a small percentage of the export business. From the information supplied to us, it is seen that there are nearly a hundred small shippers of mats and mattings sharing amongst themselves about 50 per cent. of the total business.

(iii) *Small manufacturers who are not shippers* :—They have established themselves largely on the suburbs of Alleppey town and in the countryside. They generally get their business from shippers in Alleppey.

(iv) *Small producers on a cottage basis* :—The making of door mats is well adapted to the requirements of a popular cottage industry. But, at present, cottage work is carried on only to a very limited extent. The small quantity that is now produced in cottages is usually sold in an unfinished condition to middlemen or to the nearest factory owners.

The production of mats as a cottage industry deserves every encouragement. We believe that if a model loom can be introduced and popularised and some propaganda and organization on a co-operative basis be undertaken, the making of mats should hold out promises of becoming a flourishing cottage industry.

In this connection, we are of opinion that a definition of the expression "cottage industry" as applied to the production of mats and matting is desirable. Such a definition will be found in the draft Control Schemes prepared by the European as well as the Indian shippers (*vide* Chapter VIII). According to the definition given in the Indian shippers' scheme, cottage industry should satisfy the following conditions :

1. No more than five looms should be employed in the same premises ; and
2. The work should be carried on by a single individual and the members of his family with little or no hired labour.

We consider this definition is appropriate.

(v) *Factors* :—The factors are not manufacturers but merely shippers. They secure orders from abroad, supplying

samples and patterns obtained from the smaller manufacturers. As a rule, most of them have no adequate financial backing; they transact business on credit and very many of them lead a precarious existence. They come into and drop out of the business year after year.

Particulars of shippers during 10 years

1929-1938.

	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
No. of old shippers	..	40	45	53	60	57	60	50	52	60
No of fresh shippers listed in the year	..	15	16	20	17	19	17	18	20	9
Total	52	55	61	73	77	76	77	68	72	69
No. of shippers dropped from the previous year's list	..	12	10	8	13	20	16	27	16	12

N. B.— "Old shippers" mean those who were on the list in the year previous; not necessarily in all the previous years.

<i>No. of shippers* in the list of</i>	<i>Existing in 1938 list.</i>
1929	52
1930	55
1931	61
1932	73
1933	77
1934	76
1935	77
1936	68
1937	72

Alleppey and the Districts.

We have already referred to the fact that the industry, at one time centred in and around Alleppey, has, during the last two decades, spread far into the country-side, with the result that factories have sprung up, practically throughout the coconut area, bordering the backwaters.

The Alleppey town factories are at the point of shipment. Their main advantage is their close contact with the market

* We have stated on page 79, that the number of shippers is over a hundred. The statement refers to the number of registered shippers. Here the figures refer to those who actually shipped goods in this year.

and shipping operations. All the raw materials — yarn, chemicals, dyes, etc.— have their market and stores in Alleppey. There is also a large supply of experienced labour in Alleppey and its environment. The factories in Alleppey have quicker and cheaper facilities for the transport of finished goods and they have closer contact with the banks and with commercial organizations such as the Chambers of Commerce. They are also better served in respect of postal and telegraphic communications.

But in certain other directions, the Alleppey factories labour under a disadvantage. First and foremost, their labour charges are higher; for, generally workers in a town factory get higher wages. Land is several times dearer in Alleppey than in the districts, and therefore, the initial capital expenditure for establishing a factory in Alleppey is considerably higher than in the districts. They have also to pay municipal rates and taxes. Factory buildings in the town have to satisfy the requirements of the Municipal Act and have to be substantial structures, whereas the district factories are, for the most part, thatched sheds which can be put up at small cost.

With regard to the facilities for obtaining the principal raw material, Alleppey has to get its coir yarn from the producing centres. It gets the superior yarn from the south and the lower qualities like Vycome and Beach from the north.

There is division of labour to some extent in the manufacture of mats and matting between Alleppey and the districts. The Alleppey factories largely use the superior hard-twist yarn, whereas the cheaper and coarser qualities are used in the district factories. When the Alleppey factories manufacture from the coarser qualities, they have to get the yarn from the districts and meet the cost of transport. But this disadvantage is not material, considering the fact that Alleppey is the chief market for yarns and it was brought to our notice that the district factories are sometimes obliged to buy the cheaper qualities of yarn from Alleppey. When the district factories get their raw material locally, they no doubt save the cost of transport; but as against this, they have to bear the transport charges for the conveyance of the manufactured goods to Alleppey. District factories do not, as a rule, use the superior varieties, but when they do, they have to incur additional conveyance charges, both for the transport of the raw material to the factory and the transport of the manufactured goods to Alleppey. On the whole, it may be said that so far as cost of raw material is concerned, the Alleppey and the district factories are practically on the same footing.

The spread of the industry to the countryside, no doubt, came about as the result of a conscious effort on the part of

the smaller manufacturers towards cheaper production. The principal attractions for the drift to the districts must have been the comparative cheapness of labour, the low cost of land and premises and the many small economies that could be effected in the villages. For instance, the factory owner in the country ordinarily carries on the industry side by side with his usual occupations such as agriculture, trade etc. His labour is recruited almost wholly from the locality and the men are known to him and are, therefore, more accommodating and easy of control than the workmen in the town factories. Very often he buys the yarn on credit direct from the spinners in the locality.

Before long it was found that the district factories were making mats and mattings cheaper than the town factories could make them and the latter began to buy from the former and sell at a profit. In course of time some district manufacturers started direct dealings with foreign buyers and some factory owners of Alleppey opened their own branch factories in the districts.

This latter development has, in our opinion, come about on account of the following circumstances:—

(i) The increasing demand for the cheaper qualities of mats and matting induced them to open branches in the districts, where the cheaper varieties of yarn can be purchased locally more conveniently than at Alleppey, the chief factory in Alleppey concentrating on the superior varieties.

(ii) The lower cost of land and buildings in the districts, and

(iii) The saving in labour charges.

Some idea of the nature and extent of the purchases of the Alleppey manufacturers from the district factories can be obtained from the following figures, which show the average annual purchases of four leading firms of Alleppey:

Mats, quantity. 4,697, 185. sq., ft.

Do. average price per sq. ft. Rs. 0-1-8½.

Mattings, quantity, ... 1,311, 577 sq. yds.

Do. average price per sq. yd. Rs. 0-4-11.

Average price of mats & mattings

lower by 10 per cent.

From the above figures, it will be seen that, on the average, the country factories are able to sell their goods to the Alleppey manufacturers at a price 10 per cent cheaper than the latter could make them. It is contended that all these goods could have been made in their own factories but for the fact of cheaper production in the districts. They point out that most of them buy their raw materials on a large scale

and pay cash on the spot and so it is probable that their raw materials cost them less, at any rate, not more than what they cost to the district manufacturers. They, therefore, maintain that in the districts either they are paying very low wages or selling their goods at a loss and plunging into debt, and that, in either case, it is bad for the industry, the labour, and the State.

Productive Capacity.

The figures of our exports of manufactured coir goods (*vide* page 74) clearly show that production has been steadily increasing. But the export figures are not a true index of the productive capacity of existing plant, for there are periods when, in most factories, only some looms would be working. Even in normal times, it is hardly ever the case that full time work is available for all the looms. Regularity of work depends entirely upon regularity of orders from the foreign buyers. But orders are never regular. Demand varies according to the seasons in the buying countries. Generally speaking work is slack during the monsoon season and brisk from August to December. In view of this circumstance, some of our witnesses hold that the mats and matting industry has to be regarded as a seasonal industry. But then, there is hardly any time when all the looms are idle or when there is not work enough to keep the factories going.

There is, more or less, general agreement that the number of looms is in excess of the requirements of demand from abroad. The industry has been growing and plant has been laid down indiscriminately. But in the absence of an analysis of sizes and qualities shipped, it is difficult to estimate the exact extent to which surplus plant has accumulated. A comparison of quantities shipped with the estimated out-put available seems to indicate that plant is approximately 30 per cent. in excess of requirements. This estimate has been arrived at after providing for seasonal demand and unequal distribution of production due to wide disparities in cost estimates. For the latter reason, it may be said that the major part of the surplus plant is in the Alleppey factories. As regards labour, the general complaint is that the supply is far in excess of requirements. In other words, it is stated that there are too many factories, too much plant, and too much labour in the industry with the result that there is tremendous competition, dwindling profits, wage cuts and unemployment. The industry is faced with a serious crisis and it can be saved from its present plight only by the adoption of measures which will control unhealthy competition and enable it to earn reasonable profits.

CHAPTER II.

Recruitment and Employment of Labour.

We now proceed to consider the method of recruiting and engaging labour in the factories. In the early days of the industry, when labour was scarce, the moonpans had to go about and canvass workmen to whom the management paid advances. Once employed, they came to realize the security of regular employment and regular wage-payments and they developed a personal attachment and loyalty to their employers. Generally speaking, the relationship between the employers and their employees was cordial. We are told that, in those days, the European firms used to provide a pension to the workmen who had been long in their employ.

At the present time, labour migrates spontaneously to the centres of employment or is largely resident in such centres. In the Alleppey municipal area, there is, at all times, a floating labour population, of which a considerable portion is unable to find regular or full time employment. Outside the gates of the factories are large numbers of workmen waiting every morning, in the hope of being taken in at least as substitutes or for part-time work. It is, indeed, agreed on all hands that the supply of labour is far in excess of the requirements of the industry at the present time.

However, in the older and well organized factories, there is a proportion of workers who have been long in service. The management and the responsible subordinate staff in these factories give preferential employment to these long-service men.

In the districts, too, there is no scarcity of labourers. We are told that at present a great many labourers who seek employment in the district centres like Shertally, Muhamma etc., are those who have migrated thither from the rural parts of the interior of the State.

In fact, the labourers in the mats and matting industry are largely drawn from agriculture. The drift from the field to the factory or to other occupations which offer a prospect of employment has been a pronounced feature of the movement of population in recent times. It is not only the agricultural labourer and the small agriculturist that migrates in search of work in the coir factories, but also a considerable number of young men from other parts of the State who have left the school before passing a qualifying examination and joined the ranks of labour and they are found for the most part in the bigger factories of Alleppey.

The whole trend of evidence regarding labour supply is that it has far out-run the demand for it and that the industry is not now in a position to employ all workmen regularly or for the maximum number of hours prescribed in the Factories Act.

In addition to over supply of labour, irregularity of work is also due to irregularity of demand for the manufactured product. There are busy times and slack times, dependent on climatic conditions and the play of economic and national policies in the buying countries.

We are told that, even in the busiest season, it is not possible to provide full time work for all the 26 days of the month for all the labourers who daily ask for it. In most factories, particularly in Alleppey, it is usual for workmen to cling to idle looms, on the off-chance of an order arriving and a chain (warp) being supplied. It is plain that, in such circumstances, factory owners are under a strong temptation to bring down the rates of wages.

It is a very common practice in many of the factories, when there is not sufficient work to keep all plant occupied, to give a rotation of work, so as to ensure that as many as possible obtain at least partial employment. In support of this practice, it has been pointed out to us that partial employment is a lesser evil than total unemployment. Another advantage which some employers ascribe to the system is that if all the workers are kept engaged on partial employment, the employer will not meet with the difficulty of finding labour, when large orders are received and the work has to be executed in a limited time. But it seems to us that, with a super-abundant labour supply always knocking at the gates of the factories, there can be no serious difficulty of finding extra labour even in the busiest of seasons. We are, indeed, of opinion that the employment of a large number of hands over a short period, instead of a smaller number over a long period must result in unstable conditions for labour.

We have considered the problem of redundant labour very carefully and have come to the conclusion that it is high time to impose some kind of control on the indiscriminate flow of labour into the industry. It is accepted on all hands that there is a great deal of unemployment in the country; but the mats and matting industry is not bound to find work for all the unemployed persons who migrate towards the industry from day to day. The responsibility of the industry is to employ just enough labour to meet its actual requirements and pay it adequate wages. The problem of unemployment is a wider issue and has to be solved by comprehensive measures into which we need not enter in this connection. Our immediate concern is the better ordering of the mats and matting industry and, so far as this industry is concerned, we are of opinion

that an attempt should be made to deflect labour from its continuous drift towards it. The superfluous labour supply has manifestly become detrimental to the well-being of labour. We find that the workers themselves have begun to realize this fact; for, in answering our questionnaire, the Shertally Coir Factory Workers' Union has admitted that labour supply is superfluous and requires to be retrenched.

We recommend that all the labourers who are in the industry at present or were in it till recently should be required to hold licenses issued on a nominal fee. No unlicensed worker should be allowed to work in the factories and no more licenses should be issued for the next five years, unless there is a demand for increased labour from a duly constituted organization of the factory owners. This will, in our opinion, check, to a great extent, the drift of labour into the industry and prevent unemployed and under-employed labour becoming an embarrassment to other labourers, employers, and the State.

Side by side with the licensing system, we would also recommend that the factory owners in general should realize that it is to their advantage to retain a fixed number of workers on a permanent basis. It will always be better to give regular employment, as far as possible, to a definite number of workers rather than partial employment to a larger number. In the long run, it would be advantageous both to the employers and the employees. A cadre of permanent workers will in due course become one of skilled workers and with experience in manufacturing particular grades to particular standards, output will improve, with obvious advantage both to the employers and the employed. As a necessary supplement to a register of permanent workers, each factory should also maintain a waiting list of substitute workers who should be given preference whenever vacancies occur or when additional labour is required. The system of permanent and substitute workers has come into vogue in various industrial establishments in British India. We would advise the employers to give the system a fair trial. We are glad to note that some of the manufacturers who have long been in the industry have stated before us that, from their experience of the past, it is possible for them to estimate, at any rate approximately, the extent of their demand for labour from year to year. Our suggestion is that, on the basis of such an estimate, the registers of permanent workers and substitute workers should be prepared. We would quote here the statements made by two well-established firms on the question of permanent and substitute workers :—

Darragh Smail and Co. Ltd.

“ If trade is good, we can generally provide a *large number of our workers* with full time work.”

Peirce Leslie and Co. Ltd.

"It should be possible, throughout the year, in the well-organized factories, to give regular employment (not guaranteed) to a *minimum labour force*, but to prevent an unfavourable reaction on production, such a scheme would imply the availability also at rush periods of casual labour."

In our opinion the system we have recommended above will meet the requirements of the industry both in normal times and in the more busy seasons.

One of the chief complaints of the labourers is that, in many factories, there is no security of tenure. They even go further and say that employments and dismissals are done at the whim and caprice of the employers, moopans and other subordinate staff. We cannot deny that there is an element of truth in this allegation. But, as we have already pointed out, there is, in the bigger and well-organized factories, a proportion of workers who have served their employers over long periods of time. Among such long-service employees, there is a feeling of attachment to their employers. It is generally the newer recruits who flit from factory to factory, with periods of unemployment in between. But, on the whole, security of tenure in the mats and matting factories merely means that work will be given when it is available, provided, of course, that the rates offered are acceptable. We are of opinion that this state of affairs is capable of improvement. The introduction of an element of permanence in the status of the worker will pave the way for the removal of a great deal of the discontent that exists amongst the workers at the present time.

Here we wish to state that, in any scheme of control of labour supply, we consider that it would be necessary to secure the co-operation of the Labour Unions.

We have so far dealt with the general features of recruitment. With regard to the engaging of labour in the factories, we find there are two methods prevailing in the industry. First there is the method of direct employment by the management; and secondly there is the system of contract work.

In the case of direct employment, the management agrees rates of wages directly with the workers, fixes terms of employment, and assumes direct responsibility for all matters of discipline and for supervision of work. Such supervision may be either by a full-time salaried agency or by moopans who are remunerated on a commission basis.

In the latter case, the rates of wages are subject to an agreed deduction either on the basis of earnings or by a fixed weekly payment by each worker to the moopan. This method, it is claimed by the employers, is simply a method of piece work payment to a moopan and it is assumed that, if direct employment were substituted, the rates fixed for the workers would be less by the amount of the commission paid. In the matter of supervision and discipline, this class of moopans, in principle, acts as paid servants of the management. With regard to recruitment, it is naturally in his interest to maintain a full supply of labour, as his income directly depends on out-turn. Security of tenure, however, is similar to that obtaining in the case of direct employment.

In regard to the moopan's commission, it is contended by the labour representatives that the commission, although it may be authorised by the management, is still in the nature of an exaction from the worker. The employment of labour through the non-salaried moopan has certain distinct advantages for the factory owners. For example, the Moopan recruits the proper type of workers and supervises the work. He is directly interested in output on which depends his commission. Besides, the management is not bound to pay him anything, whether there is enough work or not. Nevertheless, the system has also to be viewed from the stand point of the labourers. Although they know beforehand that their rates include the moopan's commission, every time a portion is deducted from their wages, a feeling is left on their minds, that after all, the commission is taken from their earnings, and in course of time, that feeling comes to rankle as a grievance which it would certainly be not in the interests of the management to allow to grow and accumulate. This subject is referred to also in Chapter IV, under the heading 'Exactions'. We, therefore, recommend that the remuneration of the moopans should not be by means of deduction from the wage rates of the workers.

The second system, *viz.*, that of contract work, implies the employment of labour through a contractor. There are some items of work which, particularly in the big factories of Alleppey, are usually done by contract labour, *e. g.*, landing and loading. But, then, there is no uniformity as to the classes of work that may be done on a contract basis. In some factories numerous items are so carried out, whereas in other factories a good number of them may be done by direct employment of labour, entrusting only a few items to contractors. The following list shows the classes of work carried out through contract work in one of the big factories in Alleppey.

<i>Mats.</i>	<i>Matting.</i>
Landing	Landing.
Lotting	Lotting.
Weighing	Weighing.
Removing and stacking	Removing and stacking.
Sorting	Sorting.
Pulling punja	Sorting dyed yarn.
Squaring	Spooling.
Making braid	Warping.
Binding	Cop-winding.
Shearing and finishing	Passing.
Pressing	Removing and rolling.
Covering and marking	Covering and marking.
Loading	Loading.

In regard to the conditions under which contract labour is employed, the measure of supervision and control of the management varies in different factories. In some factories, the percentage of remuneration due to the contractor and the rates of wages are agreed upon. A few managers have stated that they also supervise the payment of wages and set right any disagreement between the workers and the contractor.

The labour representatives have pointed out that, in most factories, supervision and control by management are practically non-existent. They say that the payment of wages is made generally through the contractors who are paid lump sums out of which they pay a portion to the workers and retain the rest to themselves. Evidence has also been received that sometimes the contractors disburse the wages outside the factory premises. We are of the opinion that under this system, there is no certainty that the workers actually receive any wages.

From the standpoint of the factory owner, the system is one by which the responsibility for recruitment, fixing rates, payment of wages and security of tenure is transferred from the management to the contractor who is virtually in the position of a direct employer of labour. Some of the factory owners have plainly stated that the contractor is solely responsible for the recruitment and payment of labour.

The arrangement is obviously convenient and advantageous to the factory owner; for he is freed from the responsibility for recruiting proper type of workmen and for the control of labour and very little consideration need be paid to the requirements of the labourers. There is also the advantage of the system being more economical. For, in contract work, the chief consideration that weighs with the

management is that of lower labour cost in relation to direct employment of labour. It has also been pointed out to us that, in certain cases, the employment of contractors results in greater efficiency.

The labour point of view is that the contractor cannot be regarded as an independent employer of labour, but only as an undesirable intermediary. They are opposed to the contract system on the following grounds :—

- (1) That the contractor reduces wages to the lowest possible level, at any rate, to a level lower than what the management would.
- (2) That the workers employed by the contractor are placed on a lower status and on a lower scale of wages in relation to the other workers in the same factory ;
- (3) That he can carry on with impunity the usual irregularities and exactions of an unscrupulous employer, on the premises of even the well conducted factories ;
- (4) That there is less security of tenure for the employees under a contractor than there is under the management.

In our opinion, the primary defect of the system is that, under it, a substantial amount of labour in the factories is neither engaged nor paid by the principal employer. The system tends generally to diminish the prospect of labour securing reasonable conditions. The analogy of the Public Works Department giving out contracts cannot hold good in the case of modern industrial organisations which have a distinct character of their own. It has been held by previous important industrial enquiries in India that there is no type of labour which is so exploited and low-paid as contract labour. In other countries like Great Britain, there is a provision for a ' fair wages ' clause in all contracts given by public bodies, so that workers may not suffer thereby.

Here we may also observe that under the Factories Act and the Workmen's Compensation Act, it is the principal employer that, in the first instance, is held responsible for infringements of the provisions of the Acts. Employers cannot, therefore, escape their responsibilities towards the labourers working in the factories even though they are engaged and paid by contractors. It may also be presumed that similar responsibilities will attach to them for the infringement of the provisions of the Payment of Wages Act and the Trade Boards Act, when these laws are enacted. If

the contract system is unavoidable in certain respects standard service conditions for the labour so employed in the industry should be prescribed and the principal employer engaging contractors should hold himself responsible for securing reasonable working conditions for the workers. The Royal Commission has recommended the substituting of direct employment of labour for contract labour wherever practicable.

The manager of a large European factory has stated before us that he considered it possible that several items of work that were being carried out on a contract basis could as well be done by direct employment of labour without detriment to efficiency. He also stated that he would try to abolish contract work in all possible directions and to arrange for the supervision of the payment of wages.

Our recommendations in regard to the system of contract work obtaining in the mats and matting factories are as follows :—

- (i) Items of work carried out through the engagement of contractors should be reduced to the lowest possible extent;
 - (ii) Wherever contract work is found to be unavoidable, the following conditions should be laid down :—
 - (a) The management should assume the responsibility for securing fair and reasonable conditions of work for contract labour;
 - (b) Until the Trade Boards Act comes into force, the management should fix a minimum wage for the workers;
 - (c) The management should exercise adequate supervision of the payment of wages;
 - (d) There should be a right of appeal to the management by all contractors' employees on all subjects including wrongful dismissal.
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CHAPTER III.

WAGES.

How the Rates are Fixed.

Throughout the mats and matting industry, except in the case of a small percentage of daily paid workers in some factories, wages are paid on a piece work basis. We have been told that generally various considerations entered into the fixing of wage rates, for instance:

- (i) Estimated output of an average worker over a given period ;
- (ii) the nature of the work ;
- (iii) the time taken to do the work ;
- (iv) the selling price of the manufactured article ; and
- (v) the necessity for the labourer to earn what would seem to be a fair wage.

The following statement by one of the leading firms of Alleppey may be taken as typical of the manner in which well-conducted, large factories arrive at their wage rates :—

“We fix the rate for piece work bearing in mind the necessity for labour to earn what seems to us a minimum living wage. This minimum has never been scientifically examined ; but we like to see our men earn not less than 8 annas a day, when full work is available, and all our rates enable a man to earn at least this sum, if they attend the work regularly and punctually and work industriously. In actual fact, many of our rates enable our labourers to earn far more than this self-fixed minimum wage.”

The Travancore Coir Factory Workers' Union, in their answers to the Questionnaire, have stated that piece work rates are fixed on no definite basis except that of custom and the discretion of the employers. We concede that custom does play a part in fixing wages but we do not agree that the employer has unfettered discretion in the matter. His discretion is circumscribed by two factors, viz., (i) the price at which he can sell the manufactured goods and (ii) the willingness or otherwise of the workers to accept the rates offered. We believe that when wage rates for new qualities or patterns have to be fixed, these are the two main considerations which determine the rates.

To a large extent, rates seem to have evolved rather than to have been arbitrarily laid down. In the earlier days of the industry, high rates were paid not only because prices were high but also because the manufacturers wanted to attract men to the work. But in course of time, the industry spread, competition became rife, labour supply excessive and prices

and rates went the downward course. But at all times the rates of the big European factories have been, as they still continue to be, the standard rates. In the smaller factories of Alleppey and its suburbs and in the district factories, the employers and the workers compare rates to those of the European factories of Alleppey.

Though no systematic attempt has yet been made to determine what is a minimum living wage, both the employers and the workers have some sort of an idea as to what would be the fair rate for a given piece of work. For well-established qualities and patterns, each factory has its own schedule of rates and the workers are well aware of the rates of every factory in the centre for the particular process of work in which they are interested.

There is no doubt that, of all the determining factors, the margin of gross profits realised is now-a-days the most important factor in fixing the rates. When this margin declines the difference is made good partially by a reduction in wage rates.

When new patterns or qualities are introduced, the rates are, in the ultimate resort, fixed by bargaining, the employer calculating on his margin of profit and the worker comparing the offer with the usual rates for similar or nearly similar work in other factories. We may mention here that in the case of the labourers in the mats and matting industry their bargaining power has appreciably declined on account of the influx of labour into the industry in recent years. The subject is dealt with in detail in Chapter II.

Generally speaking, piece work rates take into account the particular type of article that is to be produced and the variation in grades due to intricacy of manufacture, design etc. The Travancore Coir Factory Workers' Union has stated that no variations are made in piece rates on account of intricacies of manufacture and design. It may be that small variations may not be taken into account. In fact some Indian factory owners have told us that within certain limits, the same rates were paid, variations notwithstanding. Nor is it improbable that some manufacturers may try to enforce the ordinary rates even in the case of qualities and patterns manifestly more difficult and intricate. However, all the employers who have answered the Questionnaire have stated that, in fixing rates, they take into account the nature of the work. We may observe that labour is generally intelligent enough not to accept without demur the ordinary rates for a piece of work which is more than usually difficult.

It may be said that, as a rule, the worker, on undertaking the work, knows at what rate he is going to be paid. Not all may know what the correct and fair rates are or ought to be, but every one will be aware of the rates on which he is employed. The bigger factories have their schedules of rates. In some factories notice boards, showing the rates, are put up; but in the case of a big factory such a notice board will involve hundreds of rates being posted on the boards. It may, however, be stated that although, as a rule, the workers know at what rates they are to be paid, a great many of them, particularly those working in the small factories in the country-side do not know what amounts they have earned in a wage period.

Piece Work and Time Wage.

The labour memorandum has suggested that wages should be fixed on a time basis instead of the present piece work basis. As a matter of principle, it may be granted that in the long run, piece-work labour is detrimental to sound labour conditions. We also admit that the piece-work system is open to the fundamental objection, *vis.*, that as the labourer grows old, his emoluments become less, owing to his reduced physical capacity, although with increasing age, his needs are more and not less. There is also the objection that the worker is induced to work beyond his physical capacity. The system is, however, more or less universal in all industries. But in countries where organised labour has an effective voice in industry, the rigour of the system is mitigated by safeguarding a minimum earning to the workers and by other palliative measures. Hence we feel there are serious difficulties in the way of such a change being brought about in the industry. A time wage, for instance, would necessarily involve such questions as a guaranteed minimum out-turn, regular employment, regular attendance, stringent discipline and so on. Even supposing that labour satisfied the essential condition of minimum out-turn, there will still be the difficulty that, in the present condition of the trade, the employer will not be able to provide full-time work. Further, the adoption of the time wage will inevitably saddle the industry with additional burdens. Time wage, on a monthly or weekly basis, will mean eventually payment of wages for holidays and on the monthly, weekly or daily basis, full wages will have to be paid even when full work is not available. In the present state of the industry, it is hardly possible that it can bear such an additional burden. At anyrate, the question of a time wage does not seem to us to be practicable before the whole industry is organized on better and sounder lines.

As we have already stated, the present system of wage-fixing, on the piece work basis has evolved, during a period of about eight decades, with reference to the exigencies of the growth and expansion of the industry and to the special conditions of the demand for the manufactured articles. We do not feel that we would be justified in recommending that the system which has come into vogue throughout the industry should be interfered with at the present time, at any rate, not before the various other improvements that are urgently called for are brought about.

Standardization of Wage Rates.

One of the most out-standing features of the wage system obtaining in the industry is the striking disparity in the rates for the same types of work. Rates vary not only between Alleppey and the districts but also between factory and factory in Alleppey as well as in the districts. This disparity is at once the cause and the result of much of the unhealthy competition that prevails in the industry. It is also the cause of much discontent among the workers. In our opinion, wide disparities in wages paid to workers employed in similar types of work are a potential source of danger to peace in any industry.

It does not appear that there has ever been any attempt made in the past to bring about a standardization of the wage rates prevailing in the industry. We find that, at present, there is more or less, a general feeling that the confusion of rates should be brought to an end. The labour memorandum has particularly deplored the absence of uniformity in wage rates and has pointed out that, on account of the wide differences in rates between Alleppey and the districts, the town factories execute orders by getting the work done at low rates in the district factories and thereby generally depress the wages. The memorandum has, therefore, suggested that for the same types of work wages should be paid at the same rates throughout the industry. The manufacturers who have sent replies to the questionnaire are generally in favour of standardization of wage rates. We have no doubt that one essential step towards the proper organization of the industry is the removal of the striking disparities in wage rates which cannot be accounted for on a rational basis.

However, everybody seems also to realise the immense difficulties involved in the process of standardization. We are told that there are thousands of grades of mats and matting, every grade slightly different from every other grade. A standardization of rates may, therefore, have to be preceded by an attempt at standardization of grades, methods and processes. We realize the technical difficulties involved, but we are not inclined to regard them as altogether insuperable.

With the co-operation of the employers and the labour representatives, it should be possible to reduce the wide variations into a number of reasonable uniformities within manageable limits. Some of the factory owners as well as the labour representatives examined by us admitted that, for practical purposes, it was possible to bring the numerous grades and processes under a limited number of types and categories.

The standardization of wage rates will necessarily involve some form of minimum wage fixation. This has been admitted by several of the manufacturers who have given evidence or sent replies to our questionnaire and also by the two Chambers of Commerce in Alleppey. By a minimum wage, we mean the minimum earning that a normal worker would make in a unit of time. We do not mean an amount that he should be paid whether there is work or not. In fixing a minimum wage, various factors will have to be taken into consideration. In the first place, reliable statistics of the cost of living and standard of living of the workers have to be obtained. This calls for work of a high order, the scientific collection and analysis of data and the maintenance of a cost of living index series. This work is undoubtedly fundamental and will have to be attended to by the labour statistical bureau which we recommend elsewhere. (*vide* Chapter VII.)

Some of the other relevant considerations would be the varying conditions in the centres or districts in which the factories are situated, type and condition of machinery, working conditions, material handled, character of the finished goods, efficiency of the workers and what the industry can reasonably be expected to bear.

Speaking in very general terms, we are of opinion that the rates should be standardized according to districts or centres of the industry; for, some variations will have to be permitted in accordance with the considerations we have indicated above. It may be practicable to classify the workers according to age and skill, with a different rate per hour to apply to each class and actual piece work rates may be fixed at a figure which would produce an amount not less than the hourly rates fixed by a wage fixing machinery.

In the limited time at our disposal, it is impossible for us to attempt so enormous a task. It will have to be accomplished by the co-operation of the employers and the workers, with the assistance of a wage fixing machinery which should be constituted on a statutory basis and function on the lines of the British Trade Boards. Such a board may consist of the representatives of the employers and of the workers with their own chairman or a neutral chairman, for instance, the Commissioner of Labour, if one is appointed,

The main features of the machinery and wage fixing methods of the British Trade Boards are given in the appendix to this chapter.

As we have already stated, the employers have generally accepted the principle of the fixation of minimum wage rates by means of trade boards. The two Chambers of Commerce in Alleppey, while they support the proposal for the creation of a trade board for the mats and matting industry, have, at the same time, qualified their support by the condition that the application of the principle of the minimum wage rates should not be confined to the mats and matting industry, but should extend to all industries and to all centres of industry.

Answering our special questionnaire, the Travancore Chamber of Commerce has stated as follows:—

“The Chamber has given its support to wage boards. But it is necessary to emphasise that this support is qualified as being based on the assumption that any measure adopted for this purpose should be applicable, not only to the coir mats and matting industry, but to all industries and equally well to all centres where any industry is carried on”.

And the Alleppey Chamber of Commerce has stated as follows:—

“This Chamber has ever been in favour of standardization of wages and this fact has also been emphasised in this Chamber's memorandum. There is no objection to the constitution of wage boards for fixing of wages, provided, of course, that such standardization of wages applied equally to all industries and all places in the State where labour is employed in numbers and not to special areas or to special industries alone”.

The position of the two Chambers is that in fixing minimum wage rates, the mats and matting industry should not be unduly handicapped in relation to the other industries in the State and, of course, to the same industry outside the State. It is arguable that it may not be quite practicable to apply the principle of minimum wage rates to one industry without considering the possibilities of minimum wage rates for other industries. It would be unfair to single out anyone industry for a burden not borne by other industries and it may easily turn out to be an act of discrimination against it.

But it has to be remembered that apprehensions of the kind really apply mostly to kindred types of industries, more or less similarly situated, and especially those manufacturing

easily replaceable articles existing side by side and competing among themselves for the national resources of finance, labour supply, transport and marketing facilities and general organizing enterprise. As far as Travancore is concerned, the mats and matting industry is our leading factory industry. There is no other industry of its kind in the State in relation to which this industry is likely to be unduly handicapped. There is, therefore, for the time being, no question of a flow of resources away from one industry to another, except perhaps that of labour from agriculture, as mentioned in Chapter II.

Furthermore, it is perfectly possible, as has been done in England and as the need thereof discloses itself, to extend the scope of the Act to any industry or to any class of workers or to any industrial centre.

We approach the consideration of the question from the point of view of the needs of the mats and matting industry and we do not see any reason why the standardization of wage rates through wage boards should not be attempted in the industry.

The labour representatives on the Board urge that some more speedy way than the constitution of statutory wage boards should be devised for effecting standardization of wages, as they consider that no *permanent* improvement in the wages and earnings of labour can be accomplished until the present disparities in rates are removed. We consider that the creation of wage boards to be the ultimate solution of the present confusion of rates. But as the problem is urgent, we think that immediate action is necessary pending the creation of statutory wage boards. Accordingly, we recommend that a special committee be appointed, as early as possible, to deal with the matter. The committee should consist of an equal number of the representatives of the employers and the workers and should be presided over by an independent chairman. It should fix the minimum rates of wages for each operation separately for Alleppey and the districts on the basis of the cost of living and standard of living of the workers in the respective areas and the difficulties and intricacies of the operations. Government should also, in the meantime, take steps to undertake legislation for the creation of wage boards which may be empowered to enforce adherence to the wage rates fixed by the committee and, if necessary, to revise them.

APPENDIX TO CHAPTER III.

The British Trade Boards Acts, 1909 & 1918.

The minimum wage rates are fixed by trade boards set up by the Minister of Labour. The boards consist of members representing employers and members representing workers in equal number, with the addition of disinterested persons, described as "appointed" members.

When a trade board is constituted, the representative members are selected with a view to giving representation as far as possible to :

- (a) each district section or branch of the trade ;
- (b) all the main classes and grades of employers and workers in the trade ;
- (c) the principal districts or centres in which the trade is carried on.

Women as well as men may be members of a trade board; and in the case of a trade board for a trade in which women are largely employed, at least one of the appointed members is to be a woman. All trade board appointments are personal appointments and are made by the Minister. No seats are allocated for the purpose of giving representation to associations of employers and of workers as such, but it is the practice to appoint candidates suggested by such associations as far as they satisfy the above-mentioned requirements; failing a sufficient number of suitable nominations from this source, candidates are obtained by direct investigation. Where a substantial proportion of the workers in any trade is unorganised, the method of direct choice is used to ensure their interests may be properly represented. The number of appointed members acting on a trade board must be less than half the total number of representative members.

Boards vary in size roughly according to the number of interests in the trade requiring separate representation. A board is presided over by one of the appointed members and a quorum consists of one-third of the whole number of the representative members and at least one appointed member. Generally a trade board covers a given trade throughout Great Britain. The Minister of Labour may, however, set up district trade boards for any trade.

Subject to regulations made by the Minister of Labour, a trade board may establish, mainly for advisory purposes, district trade committees constituted on similar lines to the Board and including representatives in equal numbers of

local employers and local workers. A trade board may refer any matter to a district trade committee for its report and recommendations. It may also delegate to a district trade committee any powers and duties under the Acts other than those of fixing minimum rates of wages. No minimum wage rate can be fixed for the area covered by a committee, nor varied, nor cancelled unless the rate or change or cancellation has been recommended by the committee, or opportunity given to the committee to report to the trade board, and the trade board has considered the report. District Trade Committees to the number of 27 are at present in existence in two trades.

For time workers, each trade board fixes a general minimum time rate of wages. For piece workers, if express provision is not made, the general minimum time rate applies as a basis rate, that is, piece rates must be such as to enable an ordinary worker, in the circumstances of the case, to earn per unit of time, not less than the minimum time rate. Boards may make express provision for piece workers by fixing a piece work basis rate in place of the general minimum time rate or by fixing a general minimum piece rate. They may also fix a guaranteed time rate for the purpose of securing to piece workers a minimum rate of remuneration on a time basis. Special rates may be fixed for different classes of workers in a trade; over-time rates, whether on a time or piece basis, may also be fixed. Minimum rates may be fixed so as to apply universally to a trade or to any special area. Notice of proposed rates must be given and a period of two months is allowed during which objections may be raised by employers or workers against any rate which it is proposed to fix. After the trade board has considered any objections raised, it notifies the Minister of Labour of its determination. Minimum rates become legally effective only upon confirmation by the Minister of Labour. The Minister is required, apart from special circumstances, either to make the order confirming the rates fixed by a trade board within a month of notification or to refer them back for further consideration.

If a trade board is satisfied that any worker employed or desiring to be employed in any branch of a trade, is incapable, on account of an infirmity or physical injury, of earning the minimum time rate, or guaranteed time rate which would be applicable to him, the board may grant to the worker a permit exempting him from employment at the minimum rate. Generally speaking, permits are granted only on medical evidence of incapacity and for a specified period and the rate which may be paid is stipulated.

A trade board may fix special minimum rates for persons who are learning a trade. In such cases, the board may specify the conditions which it considers necessary for securing that effective instruction is given.

Employers are required to keep adequate records of the wages paid to their workers and failure to do this involves liability to fine. The Minister of Labour is charged with the enforcement of the Trade Boards Acts, and for this purpose has a special staff of inspectors who have power to require the production of wage records by employers and records of payments to out-workers by persons giving out work. Inspectors may examine these records and copy of any material part and may also require any person giving out work or any out-worker to give information as to the names and addresses of the persons to whom work is given out or from whom work is received and as to the payment made for the work. They may also enter at all reasonable times any factory or workshop and any place used for giving out work to out-workers. Any person who hinders an Inspector in the exercise of his duties or who fails to produce necessary documents or information is liable on summary conviction to a fine. Any person who supplies information which he knows to be false is liable, on summary conviction, to a fine or to imprisonment. Employers who pay wages lower than the minima fixed by a trade board are liable on summary conviction in respect of each offence to a fine and may in addition be ordered to pay the balance of wages due to a worker. When an offence has, in fact, been committed by an agent of the employer or by some other person, the agent or other person is liable on conviction to a fine. An employer who proves that he has used due diligence to ensure the observance of the law and that the offence has been committed by his agent or some other person without his knowledge, consent or connivance, is, in the event of conviction, exempt from fine.

CHAPTER IV.

Payment of Wages.

The charges.

In the labour memorandum, the following charges are made against some of the mats and matting factories in regard to payment of wages:

- (1) that wages are paid in kind,
- (2) that they are paid at long and irregular intervals,
- (3) that heavy and unjust fines are imposed on the workers on flimsy grounds, and

- (4) that the labourers are subjected to various exactions by the factory owners, moopans and contractors.

Government have also directed the Board to report on the question of the "truck" system or the system of payment of wages in kind which is complained of by the Labour Association.

In this chapter, we propose to deal with the above points.

1. *Payment of Wages in Kind.*

We made careful enquiries about this charge and we have received conclusive evidence to show that the practice of paying the whole or part of the wages of the workers, in kind, in the form of rice, provisions etc., from shops kept by the factory owners or by their relatives or dependants prevails to an appreciable extent in the industry. The practice was admitted by several factory owners in their answers to the questionnaire as well as in their oral evidence. So far as we have been able to ascertain, most of the factories of standing and respectability in Alleppey pay wages in cash. The system of payment in kind exists mostly in the factories working in the country-side. There are, however, some factories in Alleppey also which pay wages in kind.

In the memorandum of the Labour Association, the accusation is made that the system is resorted to with the purpose of exploiting the workers. We fully realise that the system lends itself to grave abuses; but we do not go so far as to say that profit making is the sole motive in every case. In our opinion, the system has its origin in the peculiar circumstances under which the small factory owners are working. They start their business without sufficient capital; their resources are exhausted when the buildings and looms are erected and probably they borrow money even for these initial expenses. If they have any cash in hand, it usually goes for the purchase of yarn; very often they have no money even to pay for the yarn and have to get it on credit. They engage labourers and start weaving; but they have no money in hand to pay their wages. These factory owners are either small shippers themselves or they dispose of the goods to the shippers in Alleppey. In either case they get cash only after the disposal of their goods and that is at intervals of two to three weeks. In the meantime their needy workmen will want advances for their home needs. To satisfy their demand the factory owners open provision shops near their factories, stock them with goods bought on credit and issue chits to the workmen for the supply of articles to them in lieu of the whole or part of their wages. Now and then a generous employer may issue goods to the workmen in excess of the wages earned by them. When the factory owner gets money by the sale of his

manufactured goods, he has first to satisfy his creditors who had supplied him with yarn and the goods for his shop and the balance goes to settle the accounts with the labourers to the extent possible.

The transactions are not limited to rice and provisions. Tea and refreshments are also supplied; and in a few cases, we came across the practice of issuing 'chits' to barber shops. The owners of these shops need not be paid in cash. The 'chits' of the workmen represent part of the wages due to them; and the barber can get rice and provisions from the factory owner's shop to the extent of the *chits* in hand. In one instance, the labour representatives alleged that the factory owner, who was also a toddy shop contractor, supplied toddy to his workmen in lieu of wages. This allegation was denied. The practice does not exist now, even if it had existed in the past. But so long as the system of payment of wages in kind is tolerated, there is nothing to prevent even such infamous practices.

In defence of the system, some of the factory owners urged:—

- (i) that the shops serve a real need to the labourers in out of the way places, where public shops do not exist; and
- (ii) that the workers are not compelled to buy at these shops, for the reason that the shops are a distinct and separate business done by the factory owners and are not meant for the workers.

Those arguments are not convincing. As regards the first, there is hardly a factory which is situated so far away from human habitation as to create the necessity of a shop in the neighbourhood of the factory itself. Further, this argument cannot hold good in the case of factories in Alleppey where also the practice prevails to some extent. In our opinion, there is no need at all for a factory owner to open shops to supply the needs of his workmen. We consider that such shops will spring up naturally in response to the demand for them.

In regard to the second argument, it may be true that there may not be any open compulsion by the factory owners; but the employers can indirectly and by subtle means indicate to the workers what they expect of them. The men are needy and the security of their jobs depends on the good will of their employers and consequently they are in a way compelled to placate the employers and buy at their shops.

We have carefully considered the merits and disadvantages of the system of payment of wages in kind and we are definitely of opinion that it is open to gross abuses. It places the workmen at the mercy of the employers. Their wages are never settled in full. A sort of running account is kept with each labourer who has no means of knowing the amount of

wages earned by him, what he has received as advance in the shape of provisions and what remains due to him. We may observe in this connection that in some of the factories proper wage books and accounts are not maintained. The lot of the labourers in such factories may be easily imagined. The provision shops are often stocked with inferior articles and they are sold at inflated prices. The tea shops are usually miserable hovels where the workmen are given some kind of decoction which is politely called tea. Sometimes the labourers are compelled to take their wages in the shape of provisions when they do not want them. In such cases they are obliged to sell the goods for cash and suffer serious loss. The loss that labour sustained by getting the wages in kind is variously estimated as ranging from 12½ per cent. to 25 per cent.

It will be seen that the system has very few advantages to recommend it and we advocate its abolition by statute. In British India the Payment of Wages Act No. IV of 1936 has enacted that all wages should be paid in cash. We recommend the enactment of a law on similar lines in the State.

Most of the employers with whom we discussed the question are in favour of such an enactment. One or two expressed dissent saying that they may have to discontinue their business if the present system is abolished. We feel that such a result will not be a loss to the industry as a whole.

2. *Payment of Wages at Irregular Intervals.* The second charge is that in many factories wages are paid at long and irregular intervals. We found that this was true of most of the smaller factories, particularly those in the districts. The better conducted factories pay wages once in every week. We were informed that before the general strike of the workers in the month of October 1938, there was no regular or fixed interval for the payment of wages. The intervals ranged from two weeks to six weeks and the workmen's accounts were never completely settled at each payment, the settlement in such cases being delayed up to six months. There has been distinct improvement after the strike: for thereafter, wages seem to have been generally disbursed once every two or three weeks and the wage amounts paid fully on each occasion. This was admitted by the labour witnesses.

(N. B. — However, as we complete this report, the labour representatives have brought to our notice that some of the factory owners have reverted to the old practice.)

Some witnesses suggested that the weekly payment of wages should be enforced by law; but the smaller manufacturers protested against the enactment of such a law. They represented that they get cash only by the sale of their manufactured goods and for this they have often to wait for at

least two weeks. If weekly payment is insisted on, most of these small factory owners may be obliged to discontinue their business. This is a contingency to be avoided. There are small factories which are conducted in a regular and business-like manner. We are of opinion that the enactment of a law which would imperil their existence will not be in the best interests of the industry. Most of these small factory owners expressed their readiness to pay wages in cash once every fortnight, and the labour representatives stated they would be satisfied with this arrangement. We, therefore, recommend that the regular payment of wages in cash at periods not longer than a fortnight should be made obligatory by law. We are aware of the fact that in the Payment of Wages Act in British India, the maximum wage period is fixed as one month. But we consider that the period suitable for the special conditions of the mats and matting industry is two weeks.

3. *Fines.* In regard to the charge that heavy and unjust fines are often imposed on the workers, our enquiry did not disclose any wide prevalence of this practice. Most of the factory owners whom we examined denied the charge. Fines are now and then imposed for faulty work or for damages caused by carelessness or negligence but no evidence, has been produced of any really heavy or unjust fines and the practice does not appear to be as common as is alleged. Here we have to distinguish between disciplinary fines proper and deductions from wages for damage to or loss of goods caused by the neglect or default of the workers. It seems that the reference made in the labour memorandum was chiefly to deductions of this kind. Fines are imposed as disciplinary measures for certain acts or omissions of the workers. When fines are imposed for damage to or loss of goods, it is said that the employer is satisfied with the disciplinary action and does not recover anything more from the workers to make good his loss. We have been told of cases in which the whole value of the article was recovered from the workers. In case of damages, we were told that the usual practice is to deprive the workers of their wages and for the employers to retain the damaged goods and sell them at whatever prices they will fetch. It may sometimes happen that the employer suffers no loss in the sale of the damaged goods or that the loss is not so much as the amount of wages. If the entire cost is recovered, it is only fair that the damaged article is handed over to the worker responsible; but the labour witnesses stated that sometimes the factory owners recover the full value of the articles from wages and at the same time appropriate the damaged articles. We think that such cases are exceptional.

In the 'Payment of Wages Act which we propose, provision should be made regulating the imposition of fines and making other deductions from wages. Fines should not be imposed arbitrarily but only in respect of such acts or omissions as are specified previously by rules and before fine is imposed, the defaulter should be given an opportunity for showing cause against the fine. There should be a maximum limit of fine in a wage period in relation to the amount of wages earned by the worker—say one chukram in the rupee. Lastly in order to prevent the imposition of fines arbitrarily, it should be laid down that no subordinate should have the power to impose a fine. Cases which in his opinion call for the imposition of a fine should be reported to the management or to a responsible officer of the factory and any fine imposed by such an officer must be subject to confirmation of the management. No subordinate concerned with the imposition of a fine should have an interest in the amount to be recovered. All fines recovered from wages should be applied only to purposes beneficial to the employees as a whole. As regards deductions on account of damage or loss, the recovery should not exceed the value of the article damaged or lost. If an article is damaged, its entire cost should not be recovered, but only the amount of loss sustained by the employer; and before ordering a deduction, the person charged with the neglect or default should be given an opportunity to show cause against the deduction.

4. Exactions.

The fourth charge is that various illegal exactions are made from the workers by some employers, moopans and other subordinates.

These exactions are said to take the following forms:—

- (a) Bribery.
- (b) Recovery of moopukasn.
- (c) Unremunerated labour for moopans.
- (d) Collection for special occasions like marriages in the moopan's family or for church and temple festivals.
- (e) Sale of tickets for cinemas and other entertainments for which the moopans receive commission.
- (f) Dharmavu, recovered by the employers.

From the evidence we received on the question of exactions, we are led to believe that the evils complained of exist to an appreciable extent in many factories. Unfortunately some of them are found even in the best conducted factories. We are convinced, however, that in the well-conducted factories these malpractices are resorted to without the knowledge of the employers and contrary to their express prohibition. The perpetrators of these misdeeds are generally the moopans

(foremen) employed in the factories to recruit and supervise labour. The position of the moopans is one of unique opportunity and it would be surprising if they failed to take advantage of their privileged position. There are few factories where a worker's security is not to some extent in the hands of the moopan. Although strictly speaking the employers are said to be responsible for the employment and dismissal of the workers, in actual practice, the moopan has the power to select or engage labour and to influence or procure their dismissal. They are usually men of long service in the factories, who enjoy the confidence of their employers and they can use their influence to benefit or harass the workers. They may demand fee for the initial recruitment. When the number of persons seeking employment is far in excess of the demand, it is to be expected that unscrupulous moopans will utilise the opportunity to get some illegal remuneration from the applicants as the price of engagement. The moopan has the power to allot work and to shift a worker from an ill-paid to a better-paid task or from a heavy to a light task. He may demand some consideration for these favours. Payment of bribes to a moopan for special favours is an unsocial act as the object is to get the better of a fellow worker and those who resort to such methods have no reason to complain against the moopans who are less to blame in such cases than those who offer the bribes.

Another form of exaction is the recovery of what is known as the *Moopukasu*. As the very name implies, it is a sort of commission claimed by the moopans. The prevalence of the practice of deducting moopukasu from the wages of the labourers was admitted by a number of employers. Some have endeavoured to stop the practice, but it was admitted that it still continues to some extent. The rate of moopukasu is not uniform. Generally it ranges from one chukram to two chukrams or thereabouts for every week and it is recovered at the time of wage payment.

This compulsory recovery from wages should be distinguished from recognised deductions from wages which are made for the purpose of remunerating the moopans. In some factories, there are moopans who do not receive a fixed salary, but are remunerated by giving them a percentage of the wages earned by the workers employed under them. There is nothing underhand in this. The commission due to the moopan is deducted by the employer when the wages are disbursed, and the money so recovered is directly paid to the moopan by the employer himself. The factory owners contend that in such cases the wage rates include the commission payable to the moopans and that if the moopans have to be paid a fixed salary, the rates will have to be correspondingly reduced,

This recovery cannot be characterised as an illegal exaction, but there is no doubt that it leaves an impression on the minds of the workers that an unjust deduction is made out of the wages. (vide Chapter II.)

Where, however, these moopans claim moopukastu in addition to their commission, as they sometimes do, such recoveries can be rightly characterised as unjust and illegal exactions.

One peculiar form of exaction which was brought to our notice was the practice resorted to by some moopans for getting gratuitous work done for them by the labourers. For instance, we found that in one factory the workers who were employed in re-hanking were required to set apart a portion of their out-turn as the share of the moopan. The wages for the quantity so accumulated in his behalf was claimed by the moopan. (vide Part I, Case No. 1.) We do not believe that this practice is widespread, but it brings home to us the ingenuity and resourcefulness of the persons who control labour to make unjust profits at the expense of the workers.

We were told that it is a common practice with the moopans to demand contributions from the workers on the occasions of some special event such as marriage in their families or for celebrating some religious festival in a church or temple. Sometimes the contributions may be voluntary, but even the receipt of presents and gifts is objectionable and all such contributions, voluntary as well as compulsory, should be discountenanced. Sometimes, the proprietors of cinema theatres and others who conduct public entertainments utilise the assistance of the moopans for the sale of tickets to the factory hands, remunerating them by a commission on the money realised by the sales. This is also a form of exaction. In the nature of things, this must be only occasional, but it causes hardship to the workers. Every endeavour should be made to put a stop to this practice.

From the evidence placed before us, we are convinced that various kinds of unjust and illegal exactions are made from the workers by the moopans and other subordinates who are entrusted with the supervision of labour in the factories. As we have stated before, the managements are seldom aware of these practices and complaints on the score are rarely made to them. Some of the employers told us that they have taken severe disciplinary action against their subordinates who were found guilty of corrupt practices. They however lay the blame of this state of affairs on the workers themselves. They say that it is only because the workers offer bribes that the moopans take them and that some workers tempt the moopans with offer of illegal gratifications to secure some special advantage at the expense of their brother workers.

There is, no doubt, some truth in this ; but obviously, it does not account for all the kinds of compulsory deductions to which we have made reference. The employers contend that the workers must refuse to pay or to put up with the compulsory deductions from the wages and that if the moopans persist in their demands, they should lodge complaints at the proper quarters. All this is easily said. It ignores the weak position of the workers *vis à vis* the moopans. As we have remarked already, the security of the workers' job rests to a large extent on the moopans. They have sufficient power to victimise workers who show any inclination to question their authority and they can do this without giving any handle to the workers to complain to the management. The lot of the workers who incur the ill-will of the moopans can hardly be pleasant. Often the moopans are the trusted servants of the employers and complaints against them will be viewed with disfavour by the latter. Hence it need not surprise us that the workers submit to the exactions of the moopans without complaint.

We realise that it will not be possible to eradicate bribery and other corrupt practices completely, but we believe that by systematic effort and by co-operation between the employers and the workers it can be substantially reduced. It is the duty of the factory owners to put down all unjust exactions from the workers by their subordinates with a strong hand. We have no doubt that they are prepared to do so if their employees and their representatives second them in their efforts. The Coir Factory Workers' Union has an important role to play in this matter. It should take disciplinary action against any member who is convicted of having offered a bribe for getting a personal advantage. It should endeavour to inculcate in the minds of workers the spirit of united resistance to all illegal demands and if there is need for it, represent the case of the workers to the employers in a reasonable and conciliatory spirit.

Our Suggestions.

We would offer the following suggestions for the consideration of the factory owners in order to put down bribery and other malpractices of their subordinates. All the exactions complained of are the outcome of the power and influence of the moopan ; and only a curtailment of this power and influence can improve the situation. We advocate that the moopan should not be left to himself in the engagement and dismissal of labour. In the large factories the power of engagement and dismissal of labour should be vested in a superior officer who will be directly responsible to the general manager. Where it is not possible to entrust this duty to a special officer, the employer himself or the manager of the factory should retain complete control of engagements

and dismissals. The allotment of work by moopans should be supervised. The moopans should have no hand in the disbursement of wages. Wages should be paid by the office staff with the help of the work and attendance rolls prepared by the moopans. No moopan should have power to inflict punishments. If he recommends the punishment of a worker, the person concerned should be given an opportunity to show cause against the punishment. Complaints of malpractices should be investigated, unless they are *prima facie* frivolous or malicious. The special officer, where one is employed, or the manager or proprietor of the factory should be easily accessible to the workers and should be ready to hear their complaints and remedy their grievances if found to be genuine. Special care should be taken to see that the complainants are not persecuted subsequently. Any moopan or other subordinate against whom a malpractice is proved should be dealt with severely. In a case of bribery both the man who offered the bribe and the man who received it should be dismissed summarily. Notices in Malayalam should be put up in conspicuous places in the factory warning that any one found guilty of offering or accepting a bribe or of other acts of misdemeanour will be severely punished.

Dharmavu.

We have yet to deal with another item of compulsory deduction from the wages of the workers *viz.*, recovery of dharmavu by the employers. This is a sort of customary deduction from wages which is practised by some of the Indian factory owners. It was stated by some of the employers that the purpose of the recovery was to set apart a fund from which they could make charity payments. This is merely an excuse. As far as we are aware, the dharmavu recovered is rarely credited to a separate fund or used for the payment of charity. On the contrary, almost invariably it constitutes an income of the factory owner. We were told that the dharmavu deductions were discontinued by some of the factory owners after the last general strike, but in many factories, the practice still continues. We are of opinion that the recovery of dharmavu is an unjust deduction from wages and that the practice should be given up entirely. Some of the factory owners who now recover dharmavu expressed their willingness to discontinue the practice. In the Payment of Wages Act which we propose, dharmavu and other compulsory deductions from wages will be declared illegal.

Payment of Wages Act.

We have carefully considered the question of enacting a law to regulate the payment of wages to industrial labourers in Travancore. Our witnesses were, almost to a man, in favour of such a measure. We are ourselves strongly

in favour of it. Accordingly we recommend that a law on the lines of the Payment of Wages Act (No. IV of 1936) in British India be enacted in the State.

The following matters relating to payment of wages may be regulated by the Act.

I Time and manner of payment of wages :

1. Wage periods should be fixed in every factory, which in no case should exceed a fortnight. Government may by rules allow exceptions.
2. The wages of every person employed in a factory should be paid not later than the 7th day after expiry of the wage period. When the employment of a person is terminated, his wages should be paid not later than the second working day after the date of his discharge. All wages should be paid within the factory premises on a working day.
3. All wages should be paid in current coin or currency notes or both. This shall apply also to advances made to the workers.

II. Deduction from wages.

Deduction from wages may be made in the following cases only :—

- (a) Fine.
- (b) Absence from duty.
- (c) Damage to or loss of goods or money.
- (d) House accommodation or amenities provided by the employers.
- (e) Recovery of advances or adjustment of over-payment of wages.
- (f) Income tax.
- (g) Deductions to be met by order of court.
- (h) Payments to co-operative societies.

In the case of fines, they should be imposed only in respect of acts or omissions which are specified by rules made under the Act. The rate of fine should not exceed 1 ch. in every rupee of the amount of wages earned. No fine should be imposed without taking the explanation of the worker concerned. All fines realised should be credited to a separate fund and should be applied only for such general benefits of the workers as are approved by rules.

Deduction on account of damage to or loss of goods or money should not exceed the amount of the damage or loss caused to the employer and should not be made until the worker has been given an opportunity of showing cause against the deduction. Fines and damages should not be recovered for the same default.

III. Enforcement of the Act.

Inspectors appointed under the Factories Act VIII of 1114 should be declared inspectors for the purposes of the proposed Act and other suitable provisions may be made for its enforcement.

IV. Books and accounts.

Provision should be made in the Act empowering Government to make rules enforcing *inter alia* the maintenance of proper books and accounts, such as cash account, wage books, registers of fines and deductions etc.

CHAPTER V.

Wage Rates and Earnings.

In this section, we propose to deal with one of the major issues raised in the labour memorandum, *viz.*, that of the present position of wages. The memorandum has stated:

(i) That during the last fifteen years, the factory owners have been steadily reducing the wage rates,

(ii) That at present the labourers do not earn a living wage, and

(iii) That in Alleppey and the suburbs, rates of wages have been reduced by 50 to 75 per cent. during the period.

A question of this kind can be properly investigated only with the assistance of reliable statistics. In respect of the period under consideration, information must be available regarding the variations in wage rates and average earnings from centre to centre and from factory to factory and also regarding the variations in the cost of living and standard of living. Besides, the investigation should necessarily comprehend statistics regarding the variations in the earnings of the industry and margin of profits. For, in fixing wages, we have to take into consideration not only the cost of living of the labourers but also what the industry can reasonably be expected to bear.

Here it has to be admitted that statistics of the kind do not exist. In a large number of factories, there are no proper accounts and even in well-organised factories, records are not available for more than a few years. The position is further complicated by the fact that rates have at all times varied from centre to centre and from factory to factory. There are numerous processes and categories of work and a large variety of qualities, sizes and patterns to be reckoned

with. A proper study of the course of wages during the period is also rendered baffling, if not impossible, on account of the variations in the methods of employment and the methods of wage payment. In the absence of specific information on these relevant points an accurate comparison of the present rates of wages and earnings with those that prevailed in 1925 is all but impossible.

In the existing conditions, all that we could do was to make an attempt to get an idea of the cost of living and standard of living of the workers by means of an enquiry into their family budgets. (Vide Part III). We also made an effort to collect particulars, from the factory owners direct, regarding the variations in the earnings of labourers and in the rates at which the earnings were made, the profits and losses of the factories etc. We have already indicated elsewhere, that the returns were obtained only from a very few factories, rendering it impossible for us to draw any conclusions generally applicable to the whole industry.

Bearing in mind the limitations and handicaps under which we made our enquiries, we proceed to state below, as briefly as possible, our conclusions and recommendations, in regard to the wage position.

(1) The labour memorandum has stated that, generally speaking, wage rates have been reduced by 50 to 75 % during the period of 15 years from 1925 to 1936. At the same time they have made it clear that they arrived at their estimate only on the basis of the very limited resources at their disposal. We examined the books of eight important factories in Alleppey, with a view to ascertaining the variations in wage rates, for the years for which figures were available, in respect of certain typical categories of work. We found that, generally speaking, rates have been reduced by 20 to 40 per cent during the period 1925-1939. The representatives of the employers have accepted the 20 to 40 per cent reduction as correct. We also consider that this average may for all practical purposes be taken as correct. It is possible that there might have been reductions going above or below the 20 to 40 per cent limit. There may also be rates which have remained stationary or have been slightly raised. The employers in Alleppey who are the chief shippers of coir products state that they have been compelled to reduce wages on account of production in district factories at much lower rates of wages.

(2) The next question is: What is the relation of the fall in wages to cost of living? During the period 1925-1939, the price of rice has, on the average, fallen by about 50 per cent and rice forms the bulk (45 per cent) of the expenditure on food, which again forms 73 per cent of the total expenditure

of a worker's family. The fall in the price of rice approximately amounts to 16 per cent of the total family expenditure. The prices of the other staple articles consumed by the workers, *viz.*, cloth, tapioca, condiments etc., have also fallen to an appreciable extent. As we have no index numbers of prices, these variations cannot be fixed with accuracy. Nor are we in a position to estimate the extent of fall in the cost of living and its relation to the reduction in the rates of wages. Here we may observe that the lower cost of living in the case of workers whose standard of living is already very low cannot be considered a valid ground for any corresponding reduction in their wages, for their standard of living was already far from satisfactory and any drop in their cost of living should as far as possible, be utilized to enable them to approximate towards standards compatible with a living wage. For, the cost of living theory cannot, in reality, have a valid application to those classes of workers whose standard of living is below a reasonable level.

(3) From the family budget figures we have collected (Vide Part III) and from our own observations, we would draw the following conclusions:—

(i) that the standard of living of the workers in the district factories is appreciably lower than the standard of those who work in the factories in Alleppey; and

(ii) that the average standard of living of the workers in the industry is not satisfactory.

They live in small huts, entirely made of coconut leaves, with a single living room in which an average family of 5.6 members is huddled together; and considering the exhausting character of the work, particularly of those who labour at the looms, the quantity and quality of their food cannot be regarded as sufficiently nourishing. We do not say that their standard of living is worse than that of those working in other industries or in agriculture. But we have no doubt that their conditions of life call for improvement.

(4) Now we come to the question of the profits of the industry. As we have already mentioned, the returns relating to profit and losses which we had called for were not supplied to us except by a very few firms. This might have been due to the difficulty of collecting and tabulating the necessary figures or, as in the case of the many small factories, to the absence of any proper records at all. Whatever be the cause, the lack of reliable statistics on the question has placed us at a heavy handicap. For instance, we have not been in a position to check whether the inadequacy of profits or losses complained of were brought about by the failure to take the necessary precautions against any avoidable expenditure.

The facts we recognise are the following:—

(i) The industry was making good profits up to the year 1927, but at present it is not making adequate profits,

(ii) Some factories are now working at a loss,

(iii) Some factories are "working on a narrow margin of profits,

(iv) Many factories do not know whether they are working at a profit or not and may never know it, till they close down, as is shown by the number of these who drop out of the business yearly.

This state of affairs has been brought about on account of the unhealthy competition, undercutting of prices and other irregularities we have described in detail elsewhere.

(5) A good number of the employers have stated that, considering the monetary conditions in Travancore, a reasonable rate of net profits for an industrial undertaking would be about 10 per cent. On borrowed capital, the European factories generally pay 5 per cent. interest and the Indian factories from 9 to 12 per cent. The claim for 10 per cent. net profit seems to us to be rather excessive at the present time. But in the case of small Indian firms whose capital investments are small, a fairly high rate of net profit might be justifiable.

(6) The next question is this: Is there a possibility of effecting an immediate increase in the wages of the workers in the industry? From our investigations, we are convinced that, from the standpoint of labour, the whole trouble is not so much about *rates* as about *earnings*. The evidence tendered before us is uniformly to the effect that the rates are adequate to enable the workmen to maintain working efficiency and a reasonable standard of living. Even at the present rates, we find that in the bigger factories, it is possible for an average worker, if he has full time work for 26 days in the month, to make a minimum of Rs. 12 and a maximum of Rs. 40 per mensem. But the average earnings of the labourers are low. The family budgets show that with an average of 1.5 members working in colr factories, an average family of 5.6 members earn from factory work only Rs. 10-20-9, per mensem (and that is 73 per cent. of the total family income from all sources, *viz.*, Rs. 14-17-12, earned by 2.6 working members) and the average earning of a factory worker is Rs. 7-3-0. The average expenditure per family, per mensem, is Rs. 16-23-9, (*vide* Part III.)

The low per capita earning is, as we have described elsewhere, due mainly to lack of regular work and the excessive supply of labour. The fundamental problem in our view is

how to find full time employment for 26 days in the month for a volume of labour just sufficient for the actual requirements of the industry. This means that the influx of labour into the industry has to be stopped and the whole industry has to be organised and controlled on the lines we have outlined in the chapter on "Control of the Industry". If this is accomplished and the various irregularities and exactions we have pointed out are eradicated from the industry, a very marked improvement will be brought about in the profits of the industry and consequently in the real wages and earnings of the workers and in their standard of living.

(7) We realise that it will take some time to organise the industry on rational lines and to control the influx of labour and to effect the various improvements we have recommended in the industry in general. We were, therefore, confronted with the question whether there was any possibility of effecting an immediate improvement in the rates and consequently in the earnings of the workers without unduly burdening the industry in its present condition. One or two prominent Indian manufacturers stated before us that, even in the present circumstances, it was possible to raise the rates, provided all manufacturers agreed to do so and the district rates were brought to the Alleppey level. This presupposes the standardisation of rates that we have recommended elsewhere, necessarily requiring considerable time for its accomplishment. The Board unanimously hold that the one anna in the rupee increase that the factory owners undertook to pay, as a temporary measure, at the conclusion of the general strike, should be made permanent. We find that this increase has not been adopted by all the factory owners, particularly those in the districts and some even in Alleppey. It should be made incumbent on all employers. Moreover, it should also apply to the sorting, re-banking and baling workers in factories exporting coir yarn. This increase represents a permanent raising of wages by $6\frac{1}{4}$ per cent.

In recommending the confirmation of the one anna increase, we trust that both parties will agree to the maintenance of the existing rates, pending the standardisation of wages which we hope will be brought about, at an early date, on the lines of our recommendations in Chapter III.

(8) The labour representatives proposed that in addition to the above increase, an immediate all-round increase in rates by 25 per cent. should also be recommended by the Board. The representatives of the employers pointed out that it was utterly impossible to make any increase in Alleppey rates, in the present circumstances, retaining the present wide disparity in rates between Alleppey and the districts.

They suggest that the first thing to be done is to level up the rates as between Alleppey and the districts, with due regard to the cost of living in the two areas.

The labour representatives consider that, in view of the low earnings which prevail in Alleppey as well as in the districts (*vide* Part III), an all-round increase in wage rates is immediately called for. As regards the disparity between Alleppey and the districts, they contend that the existing disparity will be reduced by giving a higher percentage of increase in wage rates in the districts than in Alleppey. In this connection, they also point out that some of the employers expressed the opinion that a general increase in rates can be given, provided the disparity between Alleppey and the districts is completely bridged. They agree to the desirability of levelling up the disparity in rates of wages existing at Alleppey and the districts, allowance being necessarily made for differences in the cost of living between the two areas. They, therefore, advocate an immediate increase in the rates of wages both in Alleppey and in the districts, the increase in the district rates being higher than that in Alleppey rates.

As against this, the employers' representatives contend that an all-round percentage increase in rates is undesirable for the following reasons :—

“ It is generally agreed that rates should be standardised and if Alleppey rates are not to be reduced, it must be assumed that the existing disparity between the rates in the districts and those in Alleppey can only be removed by a substantial increase in district rates. This increase will affect at least 50 per cent. of present production and the recovery of this increase from overseas purchasers will present an almost insuperable problem. Although some of the employers whom the Board examined thought it might be possible to pass on to consumers an increase in Alleppey rates without reducing demand, the majority of employers do not believe it to be possible at present. If, as seems probable, total demand is reduced by the district increase in cost of production, actual earnings of workers may not be increased or may even be reduced. For these reasons, a proposal to increase existing Alleppey rates can only be considered after the effect on demand of the levelling up of increases in the districts has been examined ”.

On this question of an immediate increase in the rates of wages, in the existing circumstances, the Board regret that they are unable to make an agreed recommendation. But they feel confident that a substantial and, at the same time, permanent improvement in the real wages of the workers will

be brought about when measures are adopted implementing our recommendations on such fundamental questions as standardisation of wages, limitation of labour supply, payment of wages, rationalization of the industry, etc.

CHAPTER VI.

Health and Welfare.

The points that are dealt with in this chapter are :

1. Are the following complaints made by the Travancore Labour Association in their memorandum presented to the District Magistrate Quilon true and if so, what are the remedies ?—

- (a) That some processes of work are either dangerous or injurious to the health of the workers and that in many factories, no protection is afforded against them.
- (b) That unsatisfactory health conditions prevail. In most factories good drinking water is not available, no latrines are provided, the labourers have to work under heated zinc roofs, factory buildings have no proper ventilation and buildings and looms contravene the provisions of the Factories Act.

2. Are the following demands made by the Labour Association reasonable ?

- (a) That maternity benefit should be provided for women employees.
- (b) That provision should be made for the education of working class children in the industry.
- (c) That unemployment insurance should be provided for.

Our information on the health and safety conditions in factories was gathered from answers to the questionnaire, oral evidence and personal inspection of factories.

Dangerous Processes.

It will be observed from Part I of this report that the labour representatives and witnesses did not lay much emphasis in regard to dangerous operations in factories. We were told that serious accidents in the factories were of rare occurrence. This is probably due to the fact that steam and electric power are used in the factories only to a very limited extent and the operations are more or less simple which do not require the use of complicated machinery. Occasionally an operator may get himself scalded in the dyeing vat or have

a hand broken or may otherwise be injured by getting involved in some running machinery. But these accidents may be generally due to carelessness or the neglect to take ordinary precautions.

Injurious Processes.

We find that the complaint about occupations injurious to health refers chiefly to stencilling work. Those who do that work have to handle dyes and their hands get smeared in the process. It was stated that the dye adheres to the skin in spite of the most careful washing with soap and water; that this sets up an irritation which results in diseases of the skin; that some times the fingers get swollen and that generally the men engaged in the work develop serious diseases, in course of time, which cause permanent injury to their health. We saw some of those workmen. Their hands were deeply stained and we believe that the hands cannot be restored completely to their normal and natural state, so long as the daily smearing goes on. The fingers of the men are not generally swollen; and when it occurs, it is, in the opinion of the employers, not due to the nature of their work but to the rheumatic tendency of the workers. Perhaps owing to the action of the dyes, rheumatism develops easily in the case of those who have a predisposition to that disease. The labour representatives on the Board stated that they have been told by some medical men who have treated the workers for swellings on the hand that the disease was due to poisoning from dyes.

We have not received sufficient reliable evidence to prove that the handling of the dyes constantly causes permanent injury to the health of the workers. There is no information as to whether the aniline dyes, used in stencilling contain any injurious substance. Those are matters for expert investigation. We suggest two lines of investigation.

In the first place, we recommend that the Government should direct the medical officers in Alleppey to investigate whether the workers engaged in stencilling suffer any permanent injury to their health. They should maintain clinical records of the cases of stencillers who come under their treatment, and follow up the cases for a number of years. Obviously reliable results can be obtained only if the investigation extends over a long period of time. We suggest that a beginning be made as soon as possible.

Secondly we think that this is a matter which the Research Department of the Travancore University may take up with advantage. The research students of the University may be asked to find out whether the dyes used contain any injurious substance and if so, what antidotes should be used

to ward off the effect of the poison. They should also try to find out a method by which the dyes can be completely washed off from the hands.

It was suggested that the workers might be given rubber gloves when they do stencilling work. We were told that this device was tried in one or two factories but was given up as the workers discarded the gloves as being inconvenient. We believe that the workers are not likely to take kindly to the wearing of gloves, as they may affect the quickness and efficiency of their work. We, however suggest that the use of gloves may be tried as an experiment, if the workers in any factory ask for them. We also recommend that ample facilities should be given by the factory owners to the stencil workers to clean their hands with soap and water before they leave the factory every evening.

Another process of work which is stated to be injurious to the health of the workers is shearing. We are of the opinion that the process of shearing mats by machinery may prove injurious to health because the flying particles of coir dust are likely to affect the lungs of the operatives. We suggest that every shearing machine in use should be compulsorily equipped with a dust extracting plant.

Drinking Water.

The supply of good drinking water is a primary necessity of the workers in every factory. The coastal tract of Travancore where the mats and matting factories are situated is notoriously deficient in good water. The people living in this area draw their water chiefly from tanks and shallow wells in which the subsoil water is collected. This water is generally brackish. Tank water is liable to surface pollution. Well water is not much better as regards taste but it is more or less free from contamination and it is the best that can be had in this region. The larger factories in Alleppey generally provide drinking water for their employees but such facilities seldom exist in the small factories. Usually every factory has one or two tanks or wells attached to it and whoever wants to satisfy his thirst must go and draw the water for himself. Employers who gave evidence before us stated that they store water in pots for the use of their labourers but there was no sign of any such storage in some of the mofussil factories which we visited.

The Alleppey water supply scheme is nearing completion and before long the town factories will be in a position to provide adequate drinking water to their workers. We hope that one or two taps will be laid in every factory expressly for their use.

So far as the District Factories are concerned, the question of providing protected water supply in that region is one to be tackled by the Government. Until such supply becomes available the factories in the districts must be satisfied with well water which is the best that can be had in that area. We think that every factory should have a well attached to it which should be reserved for drinking purposes and carefully protected from contamination. The drinking water required by the factory hands should be drawn and kept in clean earthen pots at the expense of the employers.

Latrines and Urinals.

Latrines and urinals are generally provided in the factories in Alleppey. The allegation in the Labour memorandum that latrines are not provided refers chiefly to the factories situated in the district area. Very few of these factories have provided latrine accommodation. The factory owners maintain that their factories have extensive grounds which can be used by the workers and that latrines and urinals will be a superfluity so far as these factories are concerned. We think that the practice of using the open spaces around a factory to serve the purpose of latrines and urinals is highly insanitary and should be put a stop to in the interests not only of the workers but also of the people who live in the neighbourhood. It is absolutely necessary that latrine accommodation, separately for men and women, should be provided in every place where a large number of persons work together every day for several consecutive hours.

Factory Buildings.

Factory buildings belonging to the European firms and a few of the larger Indian establishments in Alleppey are substantial structures and are generally roofed with tiles. Here and there, there may be zinc roofed buildings but they are almost always used as engine rooms or dyeing sheds where fire is kept up. In the districts, the factory buildings with very few exceptions are thatched with coconut leaves. The complaint that the workers have to work under heated zinc roofs is, therefore, not of much moment and it will be noted from the cases we have considered in Part I of the report that the labour representatives did not press it home.

As regards ventilation, the country factories are generally open on all sides and their ventilation is exceptionally good. The town factories are naturally at a disadvantage in this respect, but the situation is not so serious as to call for any drastic remedy immediately.

In most factories which we visited, we observed that there was much avoidable congestion. The looms are placed so near each other that there is hardly elbow room for the workmen to carry on their work with ease and comfort. There is absolutely no justification for the congestion in the infusill factories which are not hampered by lack of space. In the town factories the problem of space is more serious and we are not, therefore, surprised at the congestion to be found in them. We think that this is an evil which can be remedied without much expense.

Sunday Work.

One of the grievances of the workers, as pointed out in the labour memorandum, is that they are often compelled to work on Sundays. Our enquiries have convinced us that the charge is true. However, some factory owners have stated before us that, as a rule, they do not work on Sundays, while some others have stated that if ever they are obliged to work on a Sunday, a compensating holiday is allowed subsequently. We have also been told that whenever Sunday work is required of the labourers, it is because a work has to be finished urgently against the arrival of a steamer and failure to despatch the goods by the particular steamer would entail loss to the shippers. The labour representatives have stated that the practice of allowing a compensating holiday does not exist.

We consider that all factories should be closed entirely on one day in the week, preferably Sunday. But there may be some exceptions and these exceptions are provided for in the Factories Act. The grievances, in regard to this matter, will be remedied when, as we have recommended below, the Factories Act is declared applicable to all mats and matting factories.

Labour Welfare.

One of the basic reasons for friction and strife in industry is the absence of personal contact between employers and employees in modern factories. The employer or the chief manager in a factory is generally an overworked individual who has very little time, even if he has the inclination, to cultivate personal contacts with the workers. He is surrounded by his superintendents, clerks and overseers who generally act as intermediaries, between him and his employees. We are convinced that it will serve the interests of the employers as well as the workers, if closer personal relations can be established between them. One direction in which this can be achieved is by their undertaking labour welfare work in co-operation. We consider that

more valuable and permanent results can be achieved by voluntary efforts than by compulsory legislation. There are several directions in which the lot of labour can be improved in this manner. The general literacy among the workers, children as well as adults can be improved by the opening of night schools. The opening of co-operative stores recreation clubs, maternity and child welfare centres etc., will also go far in bettering the conditions of the workers and serve to establish better relations between them and the employers. There is unfortunately a growing tendency among both parties to consider that it is difficult, if not impossible, to establish harmonious relationship between them. It is high time in the interests of peace and prosperity in the industry, that this deplorable tendency should be strenuously combated. The present attitude of the employers to welfare schemes is one of practical sympathy. It will be very much worth their while if they initiate welfare schemes themselves. There is nothing novel in this suggestion. We find that employers in the western countries often spend large sums of money for providing various kinds of amenities for their workers. Such instances are to be found in India also. This is not only on humanitarian considerations, but also because they realise that any outlay on such projects will be paying in the long run.

Hitherto very little has been done in the field of labour welfare work. We understand that some years ago a night school was conducted for the workers in Alleppey. The expenses of the school were met by subscription and funds obtained from cinema shows etc. The school was carried on for over four years, but had to be closed on account of lack of support from the public. We are told that a creche for the children of factory workers is working in Alleppey to which a contribution is being given by the Travancore Chamber of Commerce. It may be said that the present position of the industry does not warrant any expenditure on welfare schemes. But the argument is short-sighted. In the first place, a great deal of good can be accomplished without any large outlay of funds. Further, whatever is spent for such purposes will be amply repaid by the creation of contentment and goodwill among the workers.

We are also confident that when welfare schemes are undertaken, adequate financial support will be forthcoming.

We consider that the Coir Factory Workers' Union has an important duty in this respect. Hitherto their attention has been largely directed to securing better wages from the employers; but there are other directions as well in which they can devote their energies profitably. They should themselves initiate useful schemes for the welfare of the workers. They

can start co-operative stores, night schools, reading rooms etc., in the different factory centres. If they do so, we think that they can legitimately count upon the financial support of the employers and the public. What is needed is a new outlook and an earnestness and enthusiasm to improve the lot of the workers, whose interests are their special and particular care. We are making these observations with a genuine desire to see that the Union functions far more effectually in the service of labour than it does at present. In this connection, it is due to the Coir Factory Workers' Union to say that within the limits of their scanty funds they are running a night school and a reading room and give relief in cases of distress.

It is also necessary that the State and the municipality should come forward to improve the condition of the workers who play an important part in the national economy. Ordinarily their function will be to support and stimulate local effort; but there are certain duties which it is legitimately their province to undertake. They may open maternity and child welfare centres in localities where the labour population lives. We understand that there is one maternity and child welfare centre in Alleppey which is assisted with funds by the municipality; but we suggest that this activity might very well be extended. Better provision can be made for medical relief by the opening of rural dispensaries; public libraries and reading rooms may be started for the spread of education and enlightenment. They should also make liberal grants in support of schemes which serve to promote the material and moral welfare of the workers.

We now turn to the specific demands made by the Labour Union. They are :—

- (i) That maternity benefit should be provided for women workers.
- (ii) That schools should be opened by the employers for imparting education to the factory children.
- (iii) That a scheme of unemployment insurance should be started.

Maternity Benefit.

We have carefully considered the proposal made in the labour memorandum that the factory owners should provide maternity benefit to the women employees.

The women are employed in operations such as sorting, splicing, braiding, rebanking etc. The greater portion of them working in Alleppey are employed in the factories exporting coir yarn.

The general standard of living of the workers being low, there can be little doubt that some form of maternity benefit would be of great help to the women workers. There was, however, a unanimity of opinion among the employers against this proposal. They said that the passing of a legislation enforcing maternity benefits will immediately result in reducing the number of women employees. Their objection was not so much to the extra expenses which they would have to incur as to the harassment and annoyance which they might be subjected to in the administration of the Act. They have stated that they would rather stop the employment of women than undergo the trouble and inconvenience resulting therefrom. Maternity Benefit Acts are in force in some of the British Indian Provinces. But we have no information whether the introduction of this measure has caused a reduction in the number of women employees. In any case, this is a question that cannot be tackled without duly considering the employment of women in other industries also. We recommend that Government should bestow their attention, as early as possible, on the question of enacting a maternity benefit law after due consultations with all interests concerned.

Schools for Factory Children.

We recognise the paramount importance of the education of factory children and we are very much in sympathy with this proposal. We have already indicated our views in regard to welfare schemes of this kind. This is not a matter in which anything can be achieved immediately by legislation. We think that the need can be met to some extent by voluntary effort with the practical sympathy and co-operation of the employers.

Unemployment Insurance.

We consider that it is not practicable to introduce any scheme of unemployment insurance in the State at present. On this question the Royal Commission on Labour in India has stated as follows:—"We cannot regard any national system of insurance with which we are familiar as feasible at present in India". However, we understand that legislation on this subject is contemplated in some provinces in British India. It will be desirable to be guided by the experience of its work obtained by those governments.

Labour Organisation.

In the labour memorandum the complaint is made that the factory owners do not accord adequate recognition to the workers' unions and that those who are suspected of taking an active part in Union work are sometimes visited with unjust punishments such as fines, wrongful dismissals etc.

Victimization was strongly denied, though some instances were mentioned to us; but it has to be remembered that it is not always easy to prove such charges. The labour representatives have also pointed out that the generally unsympathetic attitude of the employers is a serious hindrance to the promotion and maintenance of amicable industrial relationships.

Whatever may have been the past attitude of some of the employers, we are glad to note that practically every one of them who gave evidence before the Board, stated that he was prepared to welcome and recognise a properly organised labour union which could speak on behalf of his workers and also to investigate and rectify any genuine grievance brought to his notice by the Union.

We consider that full co-operation between the unions and the employers is necessary. In view of the helpful attitude of the employers, we consider that labour may dismiss the apprehensions expressed in this regard in their memorandum.

We are told that attempts at the organisation of the labourers in the mats and matting industry in Alleppey began about 20 years ago. Till recently the organization was known as the Travancore Labour Association which was not a registered body. As soon as the Trade Unions Act of 1112 came into force, the Labour Association got itself registered under the Act, under its present name "The Travancore Coir Factory Workers' Union" with its head office at Alleppey. From the statements submitted to us, we find that, on the 28th February 1939, there were 7481 members on the register of the Union. The membership subscription is at the rate of 2 chuckrams per month. Copies of the annual reports and audited balance sheets of the old Association for the years 1104 to 1111 and the audited balance sheet of the Union for the year 1112 have been submitted to the Board.

Besides the Travancore Coir Factory Workers' Union of Alleppey, there are also three district unions of recent origin at Shertally, Muhamma and Aroor. All these are registered under the Trade Unions Act.

In this connection, we should also mention the fact that the representative character of the Union has sometimes been challenged by the employers. With regard to this point, we would observe that it is not to be expected, particularly in Indian conditions, that all the workers or even a majority of the workers in an industry will ever enrol themselves formally as members of a union. A fair proportion of them, sufficiently well organised and capable of representing the views and interests of all, is all that is usually required for recognition. We would also refer to the view of the

Royal Commission on Labour that the argument that a Union is not sufficiently representative of the workers is unsound in principle.

Charges of indiscipline and lack of effective control have also been made against the labour unions. It has, however, to be recognised that properly organising and controlling several thousands of workers is no easy task. Nevertheless, we would urge that no pains should be spared to instil into the minds of the rank and file that sense of discipline and correct conduct which are so essential for the strength and solidarity of any association working for the common interests of large numbers of people. Above all, every possible effort should be made to make the workers realise that the better ordering and prosperity of the industry should be as much their concern as that of their employers and, in that spirit of responsibility and mutual support, they should actively co-operate with the employers and the Government in any steps that may be taken for the organisation of the industry on the lines of our recommendations. We would particularly emphasise that it is absolutely necessary that a calm and peaceful atmosphere should prevail in the industry to enable the Government to adopt the measures so urgently required to improve the conditions in the industry and to set it on the road to renewed prosperity.

CHAPTER VII.

Administration and Statistics.

Application of the Factories Act to the Mats and Matting Industry.

It is suggested in the labour memorandum that the conditions under which labour is employed in the factories, can be greatly improved if the requirements of the Travancore Factories Act are strictly enforced in the case of the mats and matting factories. This Act (No. VIII of 1114) contains ample and detailed provisions for the protection of the health, safety and general welfare of factory workers.

Chapter III of the Act deals with the health and safety of workers and include provisions for cleanliness, ventilation, overcrowding, lighting, water-supply, latrines and urinals and other amenities in factories. The labour representatives are, therefore, right when they say that the remedy for the unsatisfactory working conditions in some of the factories lies in the strict enforcement of the above provisions of the Factories Act.

However, it has to be pointed out that the Factories Act is not directly applicable to all the mats and matting factories. To bring any factory under the operation of the Act, it must satisfy two conditions, *viz.*,

(1) Twenty or more people must be working in its premises and precincts.

(2) The manufacturing process in it or in any part of it must be carried on with the aid of power.

The majority of the mats and matting factories do not use power. A few use power for minor operations such as shearing, braiding etc., and the Act is applicable in their case. One factory owner stated that he had 700 looms out of which the Act was applicable only to 100 looms, the remaining 600 being outside the scope of the Act as power was not used in the premises. This is an anomaly.

In our opinion the application of the Act should be extended to all manufacturing premises (excepting cottage industry) where mats and mattings are made. In this proposal, we are supported by the proprietors of most of the well-conducted factories. We note that this object can be secured without fresh legislation. Section 5 of the Act empowers the Government to declare by notification the precincts whereon a manufacturing process is carried on, *whether with or without the aid of power* and whereon or within the precincts whereof, on any day of the twelve months preceeding, *ten or more workers are employed*, to be a factory for all or any of the purposes of the Act.

We recommend that the operation of the Act be extended in the manner stated above to the mats and matting factories in Travancore and we expect that if this is done hardly any mats and matting factory will be exempt from the operations of the Act.

Administration of Factory Laws.

Peace in industry and the welfare of Labour depend, in a large measure, on the efficient administration of the factory laws. In this section, therefore, we would offer some suggestions on this all important question.

The first factory law enacted in the State was the Factories Act No. V of 1089. This was based on the Indian Factories Act No. XII of 1911. In this Act, a factory was defined as any premises using mechanical or electrical power and in which 50 or more persons were employed on any day in the year. Certain industrial undertakings such as mines, tea, coffee, rubber, cardamom and indigo factories and industrial schools were excluded from the operation of the Act. Government were granted powers to extend it to premises (except those excluded by the Act) in which 20 persons or more were employed. Provision was made for the appointment of inspectors of factories for local areas. District Magistrates were ex-officio inspectors within their respective jurisdiction,

The Act, although it contained provisions relating to health and safety, was limited in its scope, as it did not apply to a large number of factories working in the State. The arrangements made for inspection were also not quite satisfactory. The provision made in the Act for the appointment of full time inspectors was not availed of, the work of inspection being left entirely to the District Magistrates.

The Factories Act of 1114 (which superseded the Act of 1089) effected extensive improvements in the scope and operation of the law. The principal changes were :—

- (1) the application of the Act was extended to all industrial undertakings using power and employing not less than 20 persons. The Government were granted power to declare, by notification undertakings employing not less than 10 persons and working with or without power as factories for the purposes of the Act.
- (2) the reduction of hours of work.
- (3) restrictions in the employment of children; and
- (4) better observance by factories of the provisions of the Act.

The rules under the Act have not yet been issued. The draft rules were published in the Government Gazette on the 23rd May 1939, and a period of 3 months is allowed for public criticism. It is hoped that the rules will be brought into force at an early date.

Earlier in this chapter, we have recommended that Government should avail themselves of the statutory power conferred on them by Section 5 of the Act and declare all mats and matting factories where ten or more workers are employed as 'factories' for the purposes of the Act with a view to improve the conditions of labour in these factories. However, the mere extension of the Act will not serve this purpose. What is equally important is to make efficient arrangements to see that the provisions of the Act are observed by the factory owners. The Act provides the necessary machinery for the purpose. Under the Act Government may appoint Inspectors of factories with jurisdiction over local areas as well as a Chief Inspector for the whole State. The District Magistrates are inspectors in their own districts. The arrangements for factory inspection in the past were not quite effective, in spite of the fact that the number of factories to be inspected by the District Magistrates under the old Act was small. In our view, the continuance of such an arrangement will not be satisfactory. The number of factories to be inspected under the present Act is considerably larger and this will be increased still further when the application of the Act is extended to all mats and matting factories. The duties imposed on the inspectors are also more strenuous and exacting. The health and safety of labour depend to a large extent

on the regularity and efficiency of the inspection of factories. The District Magistrates (who are also Division Poishkars) are over-worked officers with multifarious duties. It will be too much to expect them to devote much time or attention to the inspection of all the factories within their jurisdiction. We therefore think it is imperatively necessary to create a separate inspecting organization as contemplated in the Act.

The State may be divided into 3 Factory Districts and one Inspector appointed for each District.

1. *Trivandrum District* :—to comprise the taluks of the Trivandrum Revenue Division, and the taluks of Quilon, Kottarakara, Pathanapuram, Shencotta and Kunnathur of the Quilon Division.

Head quarters—Trivandrum.

2. *Alleppey District* :—to comprise the taluks of Karunagapally, Karthigapally, Mavelikara, Ambalapuzha and Shorthally of the Quilon Division and Vycome of the Kottayam Division.

Headquarters—Alleppey.

3. *Kottayam District*. to comprise all the taluks of the Kottayam Division including Devicoolam and Peermade (except Vycome) and Tiruvalla and Pathanamthitta of the Quilon Division.

Headquarters—Kottayam.

In view of the large number of mats and matting factories in the Alleppey district, and plantation factories in Kottayam district, it may be necessary to appoint additional Inspectors in those districts.

The Inspectors should carry out the periodical inspection of the factories within their jurisdiction and submit such reports and returns as are prescribed by rules. The Inspector may also be empowered to act as mediator in minor disputes that may occur in their districts.

Chief Inspector (Labour Commissioner.)

The appointment of a central authority to direct and co-ordinate the work of the inspectors appears to be necessary. He will control the work of the inspectors and secure uniformity in the application of the Act in the different districts. His designation may be Commissioner of Labour, although for the purpose of the Factories Act, he may be referred to as the Chief Inspector of Factories. As Commissioner of Labour, he may be entrusted with the administration of the other labour enactments also. *viz.*, the Trade Unions Act, the Trade Disputes Act, the Workmen's Compensation Act and the Payment of Wages and the Trade Boards Acts (when passed). He will act as expert advisor to Government in all labour

matters. He should be responsible for the collection and compilation of labour statistics for which there should be a special bureau in his office. He may also be empowered to act as mediator in major labour disputes. We think that a full-time officer will be necessary to discharge all these duties and responsibilities. In the recent past, labour matters have assumed an importance which was not dreamt of some years ago and they are bound to loom larger still, as the State grows in industrial importance and labour becomes more and more self-conscious and vocal. It is in view of these considerations that we recommend the appointment of a whole time commissioner. The Labour Commissioner should have the status and pay of a major Head of Department as he has to command the confidence and respect of both capital and labour. The Inspectors of factories may be given the rank and pay of Assistant Division Peishkars.

Compilation of Statistics.

We have already indicated how seriously we have been handicapped in our work on account of the lack of statistical information relating to wage rates, prices, cost of living and other matters indispensable in an enquiry of this kind. We desire to state that it is highly necessary in the interests of labour, the employers and the industry in general that reliable statistics should be collected, maintained and published by an impartial authority. It will also be a very valuable help to Government in the formulation of labour policy and in the prompt adoption of remedial measures.

As we have suggested in another connection, the office of the Labour Commissioner should be responsible for the compilation of statistics. Statistical data may be collected and maintained under various subjects and heads. But we consider that the first attempt should be directed towards the compilation of cost of living index numbers.

The device of cost of living indices are, in modern times, extensively made use of for the adjustment of wages. As far as Travancore is concerned, problems relating to wage adjustments used to be more or less easily solved by means of mutual bargaining, between the workers and their employers and labour troubles were rare. In recent times, however, labour has adopted the method of organized bargaining and agitation for securing higher wages. Strikes and lock-outs have also become frequent. The labourers complain that rates of wages have been heavily reduced and that they do not earn enough even for their primary requirements. The employers on their part maintain that cost of living has fallen to a greater extent than the reduction in wages.

There is practically no data to support the contentions of either the labourers or the employers. Nor is there any means to measure exactly the changes in the cost of living. It is to obviate this difficulty that cost of living index numbers are compiled and maintained. For, they indicate the changes in the cost of living and constitute the best means of securing wage agreements with the minimum of friction between the employers and the workers.

From the nature of the work involved, it will be obvious that a permanent organization is necessary, firstly to investigate and prepare family budgets, secondly to collect weekly prices and finally to compile and publish the statistics. Here we desire to observe that the family budgets we have collected and tabulated have been prepared with all the care and caution possible in enquiries of this type. They give us information mainly about the average earnings of the families of coir factory workers, how their income is expended and give an indication of the relative importance of the various items of consumption. Family budgets prepared at any given time can show only the expenditure at that time and no comparisons would be possible without statistics of prices of earlier years. It is not, therefore, practicable to construct cost of living index numbers for the previous years. But a start can very well be made at the present time; and we feel confident that, in the hands of an expert statistician with a trained staff, the results of our enquiry will prove a very valuable basis to commence work from.

Under fairly stable conditions, as we have in Travancore, it would suffice to publish index numbers once a month, from the prices collected weekly. Once family budgets are prepared and the relative importance of the items of expenditure is ascertained, the collection of data relating to retail prices from week to week is the important work that has to be regularly attended to by the statistical section of the Labour Commissioner's office. In addition to the compilation of the cost of living index numbers, the Inspectors of Factories and the Labour Commissioner should make it their function to collect detailed statistics relating to the working of the Labour Laws. The annual reports of the Commissioner, apart from reviewing the administration of the Labour Laws, should also give full statistical information regarding the number of factories, working population, wage rates, hours of work, accidents, prosecutions and other matters affecting the welfare of the workers.

CHAPTER VIII.

Control of the Industry.

One of the chief questions which was raised in the labour memorandum and which, by the terms of reference, has been specifically referred to us is that of "imposing restrictions on the establishment of factories with a view to avoid mushroom factories with no capital springing up and prejudicially affecting both employers and labourers". The memorandum attributes the present depressed condition of the industry and the alleged inability of the factory owners to raise the level of wages to the unorganised and uneconomic methods followed by the factory owners and shippers and to the unbridled competition that subsists amongst themselves. Many persons, without adequate capital, enter the industry, animated solely by the money-making motive, and they indulge in unscrupulous under-cutting of prices in the foreign markets. They are responsible for the difficulties of even the well-conducted factories which carry on the industry with adequate financial resources. The industry should be saved from its present unorganised condition. Manufacturers and shippers and their competition in the foreign markets should be controlled by legislation. No one who does not deposit Rs. 5,000 with the Government should be allowed to conduct a factory. The profit motive should not be the sole guiding factor in the industry. The interests of labour should be adequately protected.

The above is, in brief, the labour point of view and it is clear that what they want is State control or rationalization of the industry, with a view to save it from self-extinction and to secure the best interests of the manufacturers and shippers, the labourers and the State in general.

We, therefore, now proceed to deal with the question of the State control or rationalization of the coir mats and matting industry.

In Chapter I of this report we have referred to the phenomenal expansion of the mats and matting industry in Travancore during the past two decades. The exports of matting increased from 1,114,811 yds. in 1919-20 to 9,578,020 yards in 1936-37 or by 860 per cent and that of mats from 110,527 cwt. in 1921-22 (earlier figures are not available) to 2,58,106 cwt. in 1936-37 or by 233 per cent. The value of exports rose from Rs. 22.96 lakhs in 1919-20 to Rs. 118.57 lakhs in 1936-37. But neither the steady growth of the industry nor its present magnitude is an index of its prosperity. Opinion among manufacturers is unanimously at the wide expansion of

the market has brought little benefit to those engaged in the industry. The factory owners who gave evidence before us stated they were earning good profits up to the year 1927, that thereafter the prices of coir products began to fall, partly on account of the economic depression and partly on account of competition among the manufacturers; that consequently their profits began to dwindle and that, at the present moment, most of them are either working their factories at a loss or are making only nominal profits. We have not been able to ascertain the extent of the profits or the losses and the labour representatives, although they recognise that the industry is in a disorganised condition, do not admit that it is not in a position to give better wages to the workers. We are all agreed, however, that the profits have been falling in recent years, that at the present moment some factories are working at a loss and that some factory owners do not even know whether they are earning profits or incurring losses. One thing is perfectly evident, that, owing to the chaotic conditions in the industry, it is not reaping the advantages to which its well-nigh monopolistic position entitles it. This is a state of affairs which brings no benefits to the employers, the workers or the State. The prosperity of the industry is of vital importance to the labourers as their wages and earnings depend primarily on the capacity of the industry to earn profits. When profits decline, it will have an immediate effect on wages, which alone are capable of immediate re-adjustment; and no industry can survive continuous loss. It will eventually collapse and bring unemployment and distress to the labourers in the wake of its ruin. It is primarily from the stand point of the interests of the workers that we are concerned, in this enquiry with the rehabilitation of this industry.

The ruin of the industry will also cause serious loss to the State. The industry now occupies a unique position in the State, being the single largest factory industry in Travancore. Apart from the employment that it gives to thousands of labourers (estimated at 25 to 30 thousand), its economic value to the State is immense. But, equally, a losing industry is an economic loss to the State as it means that it is exporting its capital resources.

Causes of the Decline in Prosperity.

The present unfortunate plight of the industry has to be ascribed chiefly to be unchecked and ruinous competition among the producers who, for the sake of securing business, keep on lowering prices and even sell their goods below cost price. From 1927, there has been a large influx of shippers and manufacturers (non-shippers) into the trade. The number

of shippers is now considerably in excess of the ability of the industry to support them. There are over a hundred registered shippers and, obviously, if the business was distributed equally among them, each would secure only 1 p. c., but in actual fact there are some shippers who individually has as much as 15 per cent of the business, with the result that several others are securing only a very small fractional part of 1 per cent or no business at all. Obviously such shippers cannot prosper themselves. Their business is so insignificant that they cannot obtain the service of reputable agents to represent them in the buying centres. Their agents can find a sale for the goods only by cutting prices. They do not care at what prices they sell or whether the shippers make a profit or not. They sell a few bundles a month; their commission is negligible: and after struggling for a few months, they give up their agency and other agents of the same category take their place with the same result. One such agent offering goods at ridiculously low prices depresses the prices of all other shippers' goods. Then there are certain agents who order goods but refuse to accept them on some pretext or other. Such goods are thrown on the market and are sold at such prices as they will fetch.

Both these classes of agents are doing a disservice to the industry. Besides the reduction of prices caused by the operation of undesirable agents in the foreign markets, there is also acute internal competition among the manufacturers, both those who are shippers as well as those who are not. This happens in the following manner. Firm A, a firm of shippers in Alleppey, sends samples and quotations to a buyer in England. This buyer who is in touch with other manufacturing shippers enquires of the latter whether they can produce goods at cheaper prices. Firms B, C, and D quote lower prices, of which the quotation of the firm D is the lowest. The buyer intimates this rate to the original firm A and asks if it can supply at the rate quoted by D. Firm A is thereupon obliged either to lower its price to the level quoted by D or lose the order. Often it prefers the former course. We are told that this practice of cutting prices prevails to a large extent. Everybody condemns the practice, but in the keen struggle for existence, nobody is able to renounce it.

Among the manufacturers who are not shippers also there is unchecked competition. There is a larger number of such factories, most of them outside Alleppey. They receive orders for goods from the shipping firms in Alleppey. A firm in Alleppey receives an order, say, for 1000 cwts. of a particular kind of mat. It does not make the goods itself as it is more profitable to get it done in the district factories. So it

circulates the order to some of these factories and calls for quotations and the factory which offers the lowest price gets the order. It has been stated in evidence that sometimes these district factory owners, in their anxiety to secure business in order to keep themselves going, execute orders below cost price. Probably they expect to make profits from other sources; but those firms however, whose sole business is the mats and matting manufacture and who refuse to do business at a loss suffer and have eventually to wind up their business and clear out. The unprofitable concerns struggle on for some time and then they are also obliged to shut down. But so long as they last they do incalculable harm to the industry.

Again, in recent years a large number of men without adequate financial resources or experience of business has come into the industry. They started business on borrowed capital which they obtained on inadequate security, at heavy rates of interest. They live on their borrowings and are compelled to carry on business in order to satisfy their financiers that they are continuing to trade. These men owing to their unbusiness-like methods, come into acute competition with the more reputable manufacturers. They have no cash to purchase yarn and so buy it on credit. They fix very low rates of wages and even these are not paid at regular intervals or in full at any time. They maintain rice and provision shops, tea shops and, in some instances, even barber shops. A running account is kept with the labourers who receive, on account, 'chits' to these shops. Only a small portion of the wages is given in cash. In other words, the labourer is given enough to keep him alive and his account is seldom completely settled, and very often the poor labourer does not know what is due to him. These irregularities were rampant among certain factory owners before the last general strike of the workers. The strike brought about some improvement in regard to the payment of wages. But the practice of paying them at long and irregular intervals is a feature still prevalent to a considerable extent in the industry. This class of manufacturers have generally but a poor knowledge of the business. They have no notion whether they are trading at a profit or at a loss, since they do not maintain regular accounts and never prepare annual balance sheets and profit and loss accounts. Manufacturers of this class do a great deal of harm to the industry by their cut-throat competition and irregular practices.

Another unhealthy development in the industry in recent years was emphasised by several witnesses. It was pointed out that there was considerable waste in the industry

both in effort and in money. Thousands of new patterns are produced every year where hundreds would suffice. A very large sum of money is annually spent in preparing and sending out thousands of samples, where with better co-ordination a much smaller number would have been ample. In the printing of mats and matting, thousands of patterns are produced, of which only a small fraction is taken up. Most firms doing this business maintain a separate establishment for the preparation of stencils, many of which are used only a few times and then discarded. It was estimated that not less than Rs. 1 lakh was lost to the industry annually by the preparation of superfluous samples, superfluous patterns or stencils—a loss which could be avoided by proper organization.

We were also told that some manufacturers regularly resort to very reprehensible practices such as trading in different names, pirating of samples, shipping goods below samples and so on. Of course, no names were mentioned, but no one denied the existence of such malpractices.

In the above paragraphs we have described the present disorganised condition of the mats and matting industry in Travancore. The picture is a depressing one, but no one who has studied the subject carefully will deny that it is a true one. The question now is, 'What is the way out?' Are we to allow matters to take their own course, hoping that the fittest will survive? A policy of *laissez-faire* will, it seems to us, be disastrous. For if competition is allowed to work out its baneful effects without let or hindrance, the fittest will not survive; but all will go under. Suppose there are only two firms in the mats and matting industry and they carry on a relentless competition between themselves, both of them are as much likely to get ruined in the process as it is likely for one of them to survive. The conception that free competition in business is the law of nature has been abandoned long ago in all industrially advanced countries, where various industries, when faced with extinction by unbridled competition, have saved themselves by amalgamation or by organisation of the industry on co-operative basis. The tea and rubber restriction schemes are instances in point. In both these industries, disaster was averted by the adoption of schemes for controlling production and distribution, the State lending its support to the schemes by enacting the necessary legislation. The urgent need of the hour for the mats and matting industry is the inauguration of a scheme of control with the help and co-operation of the Government.

This question has been engaging the earnest attention of the manufacturers for some time past. A scheme for the

establishment of a Board of Control was prepared by Mr. Haydon of Messrs. William Goodacre & Sons Ltd., and it was referred to a "Rationalization Committee" consisting of 3 European and 5 Indian manufacturers. At a meeting of the Committee held on March 13th 1939, the scheme was approved by the committee with certain alterations, additions and amendments and it was decided to recommend it as modified to a general meeting of the manufacturers to be held shortly afterwards. This meeting was held on the 12th April 1939, with an attendance of 6 European and 9 Indian manufacturing shippers. The discussion at the meeting disclosed the existence of a sharp cleavage of opinion about the scheme between the European shippers and the majority of the Indian shippers. The latter expressed their apprehension that the acceptance of the scheme would endanger their interests by placing them completely at the mercy of the Europeans who already held a dominating position in the industry. They had an alternative scheme which was placed before the meeting. After some discussion, the meeting appointed a committee to examine both the schemes and select from them those points on which there was general agreement for further consideration by all interests concerned. Copies of the two schemes have been supplied to the Board for consideration. (*Vide* Appendices III & IV). They are summarised below and the points of agreement and difference between them indicated.

Scheme Prepared by the Indian Manufacturers and Shippers.

This is in the form of a draft bill to be passed into law by the Travancore Legislature. In the "statement of objects and reasons" prefixed to the Bill, the main object of the Bill is defined to be "to restrict the opening of further factories and the coming in of new factors". It is stated that "the Bill does not propose to standardise the qualities or wages or prices or to insist upon 'Regulation' or 'Trade Marks' at this stage as the Legislature can deal with them later when necessity arises. Restriction of the number of shippers is the immediate remedy suggested for overcoming the present unhealthy competition". To serve this object it is proposed to restrict by legislation the manufacture and export of coir mats and matting to those who are already engaged in the trade. They are to be granted licenses to continue business in the same category in which they do business now.

Those engaged in the industry are divided into four classes, *viz.*:-

(1) *Manufacturer-shippers.* These are persons or firms who are carrying on the business of coir manufacture and

who have shipped mats and matting during the twelve months ending June 1939, whether or not in conjunction with any other business.

(3) *Factors.* A factor is defined as a person or company who is not himself a manufacturer or consumer of coir mats and mattings, but who buys goods from a manufacturer in Travancore and resells or ships them.

(3) *Manufacturers.* A person or company who owns more than ten looms and manufactures coir mats and mattings, but does not make shipments is called a manufacturer.

(4) *Cottage Manufacturers.* A cottage manufacturer is defined as a manufacturer of coir mats and mattings who is not a shipper and who owns not more than five looms and does not employ power but employs only members of his own family.

Note:—Persons who have more than 5, but less than 10 looms are not included in any of the four classes. (This might be an oversight.)

All the above classes of persons who are now engaged in the trade should obtain licenses within 90 days of the Act coming into force, if they wish to continue in the business. They are entitled to get licenses; but if they fail to do so, they have to go out of the trade. There is absolute prohibition against new entrants into the business, (except as cottage manufacturers) but the existing manufacturer-shippers and manufacturers are permitted to expand their business under certain conditions and subject to a limit of 10 per cent of the number of existing looms every year. A manufacturer who owns not less than 50 looms can become a manufacturer-shipper. Similarly, a factor or cottage manufacturer can buy the factory and other rights of a manufacturer-shipper or manufacturer in which case his original license will be cancelled and a new license granted according to the purchase right.

This license control is to be exercised by a committee elected by the license holders and approved by Government, the first committee which is to function for the first four months being wholly nominated by Government. The committee is to consist of 11 persons, 6 representing manufacturer-shippers, of whom two shall be Europeans and four Indians, 3 representing manufacturers and one each representing Cottage manufacturers and factors.

The more important powers of the committee are the following. The committee will have power:

- (1) to issue, suspend or cancel licenses to manufacturer-shippers, manufacturers, cottage manufacturers and factors,

- (2) to exercise such control and supervision over factors as provided in the Act.
- (3) to obtain information from factories, shippers or factors regarding production, shipment, equipment and other particulars required as per the Act.
- (4) to enforce observance by all concerned of the provisions of the Act and the rules and bye-laws framed thereunder from time to time and, in default, to take steps to suspend or cancel the license.

In order to obtain a license, a manufacturer-shipper should have not less than 25 looms, a manufacturer not less than 10 looms and a cottage manufacturer not less than 5 looms. A factor should have made shipments during the preceding twelve months. Manufacturer-shippers, manufacturers and factors will have to satisfy the committee, if and when required to do so, that they are earning a minimum gross profit of 5 per cent. It is also laid down that manufacturer-shippers and factors shall make shipments only on definite orders and that manufacturers shall not sell or export goods outside Travancore.

Mr. Haydon's Scheme.

This scheme is much wider in scope. It is claimed for it that it will rationalize the entire industry in the interests of all who are engaged in it, *viz.*, the manufacturers, the consumers and the workers, by checking unhealthy competition, reducing waste and preventing irregularities and malpractices.

The Act can of course apply only to Travancore, but provision is made for manufacturing shippers outside Travancore becoming members of the Board of control, so that the Act may operate effectively in the whole of the mats and matting industry in South India.

A Board is to be established with statutory powers to exercise control over the industry. All the manufacturing shippers in Travancore must be members of the Board, but the membership is open also to manufacturing shippers who have no offices in Travancore. All the rules and regulations under the Act will be binding on all the members including those having offices outside Travancore.

Those engaged in the industry are divided into the same 4 classes as in the draft Bill of the Indian shippers, *viz.*, manufacturing shippers, factors, manufacturers and cottage manufacturers and the definitions are the same except that a cottage manufacturer can possess up to 10 looms (instead of 5 looms, as in the Indian shippers' scheme). The membership

of the Board of Control is open only to the manufacturing shippers. All shipments from Travancore (or despatches through land and backwater routes) shall be subject to license by the Board.

The more important of the powers of the Board are given below. The Board will have power:—

(a) To control qualities etc., and to ensure that goods conform to the Board's standard (if and when adopted). The goods shall:

1. Bear the Board's registered trade mark after passing for shipment by a competent authority appointed by the Board, and
2. Be sold under the Board's standard form of contract.

(b) To bring into force standard forms of buying and selling contracts.

(c) To standardise weights and measures and qualities of raw materials in so far as is necessary for the needs of the mats and matting industry.

(d) To eliminate adulteration of yarn by spinners and others.

(e) To standardise wages according to the districts in which factories are situated and rates fair to the labourers, to the manufacturer and to the consumer.

(f) To eliminate wasteful practices,

(g) To protect members' designs and processes.

(h) To maintain contact with labour and recognised labour unions.

(i) To encourage amalgamation of existing businesses and any other step calculated to eliminate wasteful overhead charges and unreasonable competition.

(j) To take steps to ensure that all shipments are made under shippers' own shipping marks, and / or buyers' recognised marks, which shall be registered with the Board.

(k) To secure legislation ensuring payment of wages in cash and weekly at all factories and to co-operate in taking steps to prevent evasions of the Factories Act or any other labour legislation.

* * * * *

(l) To govern the issue of new qualities and designs at regulated periods and in quantities adjusted to the reasonable progressive needs of the trade.

(o) To provide the appointment of official arbitrators in the world's markets.

(p) To confine sales of members of the Control Board to buyers who confine their purchases to the members of the

Control Board and/or to grant special facilities and prices to buyers who confine their purchases to the members of the Board.

(q) To issue licenses to or to withhold from such persons who, not already manufacturers, are desirous of becoming manufacturers and who shall satisfy the Board that they are reasonably equipped financially and otherwise to become manufacturers. Cottage manufacturers are exempted from the necessity of holding a license.

(r) To negotiate with the distributing agents of the industry in the United Kingdom and/or other distributing centres for the formation of an association of distributors for the rational organisation and development of sales and the general welfare of the industry.

* The Board will also be empowered to formulate schemes for the general benefit of the industry, such as technical and scientific research, market investigations, publicity and similar methods of increasing consumption, the establishment, registration and licensing of standard trade marks, the examination, grading and certification of goods etc.

Only firms and persons who have, during the preceding twelve months, both manufactured and shipped goods will be eligible for membership of the Board and to make shipments, after the scheme comes into operation.

Provision is made for new firms or persons becoming manufacturing shippers, if they satisfy the following conditions :

- (1) They shall possess a factory containing at least 70 looms;
- (2) Satisfy the Board as to their financial ability; and
- (3) Deposit with the Board a sum of not less than Rs. 50 for each loom possessed, subject to a maximum of Rs. 10,000.

It is noted that such permission shall not be given for a period to be decided, as the number of looms now available far exceed the requirements of the industry.

Factor-shippers who have operated in the past twelve months as such will be permitted to continue as factors, provided they deposit Rs. 3,000 with the Board and undertake to abide by the Board's rules in all respects. New factor-shippers will be permitted to enter the business, provided they deposit Rs. 5,000 and undertake to submit themselves to the Board's rules.

No restriction is found in the draft scheme against new manufacturers (who are not shippers) starting business.

The Board is to be empowered to impose penalties in case of infringement of rules and regulations, but provision is made for appeal and arbitration. Penalties may take the form of fines (or suspension of license in default), suspension of licenses or a combination of the two.

The voting power of the members will be proportionate to the volume of their average annual shipments for a period of 3 or 5 years. A 3 to 1 majority is prescribed for passing any rule, regulation or scheme. In other matters, the ordinary rule of majority will apply.

The control exercised by the Board and the business of the Board will be entrusted to a committee elected by the members of the Board. The committee is to consist of ten members including the President, of which 5 shall be Europeans and 5 Indians.

It will be noted that while both the schemes aim at establishing control in the industry, they differ widely in scope and methods.

The most outstanding difference is in the scope of the two schemes. The only control proposed to be exercised by the Indian shippers' scheme consists in the licensing of the existing manufacturing shippers, factors, manufacturers and cottage manufacturers. No new firm or person will be permitted to start business (except as cottage manufacturers) but the first licensees can increase their business subject to certain conditions and limitations. Once licenses are taken out, the licensees are at liberty to do their business without interference or control, the only conditions they are called upon to satisfy the licensing committee being that goods should not be shipped except on definite orders and that all licensees (except cottage manufacturers) should satisfy the Committee, when called upon to do so, that they are earning a minimum of 5 per cent. gross profits.

Mr. Haydon's scheme seeks to establish a more stringent control over the whole industry including the manufacturing, selling and distribution sides. It provides for taking measures to control qualities and designs, to standardise wages, to put down malpractices, etc., or, in other words, to organise the industry in such manner that (according to the promoters of the scheme) the maximum benefits will accrue to the manufacturers, the consumers and the workers. New manufacturing shippers and factors are permitted to come into the business, provided they satisfy certain exacting conditions. Outside competition is to be minimised by attracting shippers outside the State to become members of the Board. In the Indian shipper's scheme, the licensing committee consists of 11 members of which only 2 will be Europeans and voting is on a

purely numerical basis irrespective of the volume of business of the members. In Mr. Haydon's scheme the executive committee of the Board is to consist of 10 members of which 5 shall be Europeans and 5 Indians. The voting right of the Board members will be proportionate to the annual average of their shipments. There is no rule prescribing a minimum gross profit.

Objections raised by the Indian manufacturers and shippers to Mr. Haydon's scheme.

When Mr. Haydon's scheme was discussed at a meeting of the manufacturers on 12th April 1939, Mr. P. N. Nair of the Kerala Coir Manufacturing Co., voiced some of the objections of the Indian shippers to the scheme. The chief criticisms were directed against clauses 2 (a), 2 (p), 2 (r) and 13.

Clause 2 (a) empowers the Control Board to control qualities. Mr. Nair objected to this on the ground that this would lead to standardisation of qualities and consequently of prices which would be detrimental to the interests of Indian shippers.

Mr. M. L. Janardhana Pillai, in a letter to Mr. Pollard of Messrs. William Goodaere & Sons Ltd., dated 14th April 1939, stated the reasons for this objection.

These were :—

(1) "Indians do not want others in the trade, whether Europeans or Indians, to expose each other's secrets regarding qualities and patterns, especially when it is realised that certain European firms had published in Floor Covering Trade Journals in New York and London damaging statements about the Indians who are in the trade".

(2) "It was pointed out that, while in the Indian firms and in the European firms, the industry is run entirely by Indian labour and Indian staff, the European firms have been advertising in western countries that their products are superior, as they are manufactured in European factories".

(3) "There is great danger to Indian firms if they show their qualities to others in the trade who may be members of the control Board. Not only that, this ultimately will mean the standardisation of prices which none wants".

Clause 2 (p) & 2 (r) are as follows :—

Clause 2 (p) "to confine sales of members of the Control Board to buyers who confine purchases to members of the Control Board and / or to grant special facilities to buyers who confine their purchases to members of the Board. Purchases by members of the Control Board to be confined to those who confine their sales to the members of the Board. Members of the Control Board may sell to or buy from members of the Board."

The Clause is intended to protect the Travancore shippers from the competition of producers outside the State who are not members of the Board.

Clause (r)—“to negotiate with distributing agencies of the industry in the United Kingdom and other distributing centres for the formation of an association of distributors for the rational organization and development of sales and the general welfare of the industry”.

The object is evidently to weed out unsound agents from foreign markets. We have already remarked that one of the factors which have weakened the position of the industry is the operation of petty and unreliable agents in the distributing centres.

The grounds on which these clauses were objected to do not appear to have been fully stated at the meeting. The Indian shippers evidently consider that their interests would be better served if their freedom in sales, purchases and the appointment of agents is not curtailed.

Clause 13. This deals with the constitution of the managing committee of the Board. On the committee, which consists of ten members, equal representation of Europeans and Indians is provided.

The Indian shippers considered that their representation on the committee was insufficient taking into account the number of Indians in the industry.

The objections of the Indian manufacturers and shippers to Mr. Haydon's scheme disclose the existence of a strong feeling on their part of distrust of their European brothers in the industry. What they fear is that the control scheme (whether it is so intended or not) will perpetuate the domination which the Europeans now enjoy in the industry and that they will use it for freezing out their Indian competitors. Mr. M. L. Janardhana Pillai's letter which we have quoted above makes this clear. Some years ago, the industry was virtually the monopoly of a few European firms. It is only within the last two decades that the Indians have gone into the business and their present share of it is about 50 per cent of the entire trade. Along with this expansion, there have been certain wholesome developments, but the Indian manufacturers fear that, in attempting to eradicate the evils, even those Indians who conduct the industry on sound lines will be affected prejudicially. Even today the European firms occupy a commanding position in the industry. It is contended that in competing with the Indians, they enjoy certain special advantages. They have got their head offices in the United Kingdom. The London and Alleppey offices work in close co-operation and exchange detailed information about the industry constantly. The London offices

have full information about the state of affairs in the manufacturing centres, how yarn prices are going, how factories are working, how they are financially, what stocks are on hand, what orders are coming in what shipments are being sent to other markets, what designs are being made and so on. The Alleppey firm is also kept informed from day to-day of the state of demand, the extent of stock and the movement of prices. Financially the European firms enjoy a vastly superior position. They have larger resources and their better credit enables them to raise funds from banks on easier terms without difficulty. On occasion, the Alleppey firms can obtain funds from their head offices. Their D/P drafts on London are retired promptly and the Alleppey firms are replenished with funds as quickly as they spend. Some of the Europeans, being also steamer agents, naturally enjoy certain facilities in the matter of shipping which the Indians cannot hope to get, as conditions are at present.

The above are probably some of the reasons which have made the Indians to view unfavourably the scheme prepared by Mr. Haydon and sponsored largely by the European firms. One or two Indian witnesses stated in their evidence that they can hold their own with the European firms but the general feeling among them appears to be that they will be driven to the wall, if they participate in a control scheme so drastic in its nature.

The Board does not feel called upon to discuss the reasonableness or otherwise of the attitude of the Indian manufacturers and shippers. Whatever the reasons, we have to admit the undeniable fact that there is lack of mutual confidence and trust between the European and Indian sections of the industry. We do not say that it is all on the side of the Indians. The European firms also seem to entertain the suspicion that, unless their interests are protected by regulations and rules, the Indians may utilise their numerical strength on the Board to drive them out of the trade.

When this sort of distrust and suspicion prevails among the persons engaged in the industry, it is futile to expect joint action on their part to deal with the problems affecting the industry. Government also cannot be expected to legislate to protect an industry which is divided against itself. The first requisite, therefore, is to create an atmosphere which would make co-operation possible. Each party should not hug its own scheme as the final word of wisdom. They will do well to realise the fact that unbridled competition is driving the industry to the rocks from which it can be saved only by State protection and that such protection is out of the question so long as the leading manufacturers and shippers do not put up

a joint scheme before the Government. It may also be remembered that any scheme, to entitle it to Government support, should effectively deal with the whole problem and should be calculated to establish the industry on a sound footing and set it on the road to progress and prosperity. At the same time, there should be adequate safeguards in the scheme to protect the interests of labour.

It will not be out of place here, if we express our views regarding the type of scheme which we would advocate.

The chief criticism which we have to offer on the Indian shippers' scheme is that it is not likely to produce any substantial benefit to the industry. While it endeavours to establish a monopoly in favour of the present participants in the industry, it does not make any attempt to eradicate existing evils such as ruinous price-cutting, wasteful expenditure on patterns and samples, irregular practices like pirating, trading in different names and so on. It proceeds on the basis that the present manufacturers should be left to carry on their business in their own way without let or hindrance. It is not apparent how a system of licensing of existing factories will *by itself* bring about any beneficial result when the licensees are left free to fight among themselves. Even the attempt to restrict the business to the present factory owners will prove unavailing as restriction in Travancore will cause new factories to spring up outside the State where the licensing system does not obtain. Consequently, the growing competition of outside firms will undermine the security of the trade in Travancore. The only control which the system imposes on production and export is that the shippers should export goods only on definite orders. This is more or less the case at present and a condition to that effect is not going to improve matters. Another condition which has to be observed by the licensee is that he should make a minimum profit of 5 per cent. This condition will be ineffectual, as a gross profit of 5 per cent is utterly inadequate, if the object is that no one engaged in the business should trade at a loss.

Again, the scheme does not pay any attention to the interests of the workers. The licensing committee is not empowered to negotiate with Labour Associations, to secure the observance of the Factory Laws or to co-operate with schemes for the improvement of the conditions of labour. There is nothing in the scheme which will help to enhance the reputation of the Travancore products in the markets of the world and nothing to get rid of the petty and unreliable agents who are now a serious menace to the industry. The scheme is described as a 'first step' but we are doubtful whether, even as a first step, it will serve the purpose for which it is intended.

Mr. Haydon's scheme has for its object the complete rationalization of the industry. The Board which is to be appointed will exercise control over production and export,

It claims to check unwholesome competition, to eliminate wasteful expenditure and to put down malpractices. The interests of labour are not left out. It will co-operate with labour unions, take steps to standardise wages and secure better conditions for the workers.

There are, however, certain aspects of the scheme which have evoked apprehension in the minds of the Indian manufacturers.

We have seen that their chief objection is to standardization of qualities. So much controversy has been raised on this subject that it is necessary to explain what is meant by standardization of qualities. "Standardization" is the term employed to denote a system of maintaining an average quality or average degree of excellence. With variable material such as hand-spun yarn, variation in the finished article is inevitable and a standardization policy aims at keeping the variations within fixed limits. These limits are applied to quality and twist of yarn, weight, warp count and weft count in the case of matting, and in the case of pile fabrics (mats), they are applied to pile height in addition. Close supervision of yarn sorting, weight of warps, weft count on looms and final weight is the general method of standardizing and finally the product is graded as "standard", or "below standard", on a final inspection before shipment. Other points which require close supervision are the general appearance of the product, general neatness in weaving, correct reproduction of shades of dyed colour, as well as the maintenance of good natural colour of yarn in undyed articles. With regard to mats, smoothness of brush is one of the criteria of quality standard.

After standardization of qualities is made, the production will be graded according to quality and standard sample of the various grades maintained and used for classifying under the various grades.

Now it may be mentioned that some form of "standardization" or maintenance of certain standards of quality exists to a greater or less degree in all well conducted factories at present. The manufacturing shippers offer certain qualities of goods to the buyers and send the samples for approval and they invariably aim at making goods closely approximating the approved samples. If they send inferior articles, they lose the confidence of their buyers who will refuse to deal with them afterwards. Every shipper is anxious to guard against such a contingency and he follows standardization methods to some extent for his very existence' sake. "Standardization" in Mr. Haydon's scheme, however, goes much farther than this. Its object is to fix qualities in grades and

see that all manufactured articles fall into one or other of the standard grades. There will then be practical uniformity within the same grade, whoever produces it. This may ultimately mean uniformity of prices for the same grade of articles.

To the Indian shippers, particularly to those who manufacture the cheaper qualities of goods, this appears to be a leap in the dark. They cannot now gauge what its repercussions will be; but they have a misgiving that it might strangle them out of existence.

We have carefully considered the whole question. In our opinion a rationalization scheme which does not include standardization of qualities as its *ultimate objective* will not be worth pursuing. We do not however advocate its immediate introduction. Some of the European shippers are also not sanguine as to its immediate feasibility. But feasible or not, we feel, that owing to the lack of confidence and trust between the European and Indian shippers, the time is not ripe for taking this important step. We are confident that when the control scheme has worked for some time, the present distrust and suspicion will disappear and this final step in 'Rationalization' can be taken with the united assent of the manufacturing shippers.

We wish, however, to observe that we are definitely of opinion that the control scheme should include the setting up of a machinery to guarantee that shipments correspond to the qualities approved by the buyers.

Another criticism of Mr. Haydon's scheme that we have to offer is that, while the scheme allows new entrants into the industry under certain rigid conditions, it makes no provision whatever for those who are already in the industry to expand their business, except by amalgamation. The reason alleged is that the existing plant capacity is far in excess of the requirements of the trade. This position has to be reconsidered in view of the fact that the restriction will place the smaller manufacturers at a disadvantage. It is not also apparent to us why no restriction is laid down against the establishment of new factories by persons who are manufacturers but not shippers. It has been found that competition among such people also tends to lower prices. The Indian shippers' scheme does not permit any new manufacturer whether shipper or not coming into the business after the licensing scheme is brought into force.

The power of licensing shipments will vest in a committee of the Board. This was objected to by some witnesses on the ground that it was highly inexpedient to allow competitors to grant or refuse licenses. It may be considered whether it will

be not practicable to entrust the duty of licensing shipments to one who is not a manufacturing-shipper, preferably an officer of Government, who may be assisted in this work by an experienced manufacturer or a small body of assessors.

One last point about the constitution of the managing committee of the Control Board. We consider that the clause laying down that the voting strength of the Board members shall be proportionate to the volume of shipments has some justification, as it appears to be necessary for the protection of the interests of the large shippers, European as well as Indian, who are numerically few. But the claim is made on behalf of the European firms who are only about half a dozen that they should have the same representation on the committee, as the Indian shippers who number about one hundred. In our opinion, it will be worthwhile to arrive at a compromise on this point, as such a step would go far to remove the distrust that now seems to exist that the scheme is designed to drive the Indians out of the business.

Taking all the above aspects into consideration we think that Mr. Haydon's scheme may be taken as a basis for the formulation of a revised scheme which should be acceptable to the majority of the shippers and manufacturers.

In his evidence before the Board on 19th April 1939, Mr. M. L. Janardhana Pillai stated that he was in general agreement with Mr. Haydon's scheme except in regard to some of the details. In the light of this very helpful attitude on the part of one of the leading Indian manufacturers, we are hopeful that there is every prospect for such a scheme being prepared and put through.

We, therefore, suggest that the committee that was set up at the meeting of the manufacturers held on 12th April 1939 to examine both the Indian shippers' scheme and Mr. Haydon's scheme should proceed with its work and examine both schemes in the light of the criticisms offered and place before another meeting of those engaged in the industry, a revised scheme that may be acceptable to the majority of the interests concerned.

ACKNOWLEDGMENTS.

Before we conclude, we wish to express our sincere gratitude to all who answered our Questionnaire and gave evidence before us. We are under deep obligations to the Travancore Chamber of Commerce, the Alleppey Chamber of Commerce and the Coir Factory Workers' Unions for the valuable assistance they rendered to us in our enquiry. It gives us great pleasure to express our thanks to Mr. Haydon, who was a member of the Board until the 1st April 1939, for unreservedly placing at our disposal his wide knowledge and experience of the industry.

In particular, we would place on record our obligations to our Secretary, Mr. M. O. Varghese, for the zealous and efficient manner in which he carried out his responsibilities, to Mr. N. Parameswaran Pillai, the Statistician, and the staff of Investigators, for the laborious work they did in collecting and compiling the statistical returns and to the office staff for their loyal and whole-hearted co-operation.

Sd. K. George,	<i>Chairman.</i>
„ H. Smith,	<i>Member.</i>
„ N. Sankara Mannar,	„
„ P. N. Krishna Pillai	„
„ V. K. Achuthan,	„

SUMMARY OF PRINCIPAL CONCLUSIONS AND RECOMMENDATIONS.

CHAPTER I.

A General View of the Mats and Matting Industry.

1. *Production and Export.*

There has been a phenomenal increase in the production and export of coir mattings during the post-war period. The increase under exports of mats is not so striking, as in the case of mattings, but is, nevertheless, very marked.

2. *Spread of the Industry.*

The most striking feature in the development of the industry subsequent to the end of the war is the establishment of a large number of factories outside Alleppey, all along the coastal strip of the backwater area, from Arur in the north to Kadakkavur in the south.

3. *Cost of Yarn in Alleppey and the Districts.*

So far as the cost of the principal raw material (coir yarn) is concerned, the Alleppey and the district factories are practically on the same footing.

4. *Cottage Industry Defined.*

"Cottage industry", in the mats and matting industry should satisfy the following conditions :—

- (i) No more than five looms should be employed in the same premises ;
- (ii) The work should be carried on by a single individual and the members of his family with little or no hired labour.

5. *Over-production.*

There are too many factories, too much plant and too much labour in the industry, with the result that there is tremendous competition, dwindling profits, wage cuts and unemployment.

6. *A Serious Crisis.*

The industry is faced with a serious crisis and it can be saved from its present plight only by the adoption of measures which will control unhealthy competition and enable it to earn profits.

CHAPTER II.

Recruitment and Employment.

7. *Excessive Labour Supply.*

Labour supply has far out-run the demand for it and the industry is not now in a position to employ all workmen regularly or for the maximum number of hours prescribed in the Factories Act.

8. *Control of Labour Supply.*

- (i) It is high time to impose some kind of control on the indiscriminate flow of labour into the industry.
- (ii) All the labourers who are in the industry at present or were in it till recently should be required to hold licenses issued on a nominal fee.
- (iii) No unlicensed worker should be allowed to work in the factories and no more licenses should be issued for the next five years, unless there is a demand for increased labour supply from a duly constituted organisation of factory owners.

9. *Regularity of Employment.*

- (i) It is better to give regular employment, as far as possible, to a definite number of workers, rather than partial employment to a larger number.
- (ii) Each factory should maintain a register of permanent workers and a waiting list of substitute workers. The latter should be given preference whenever vacancies occur or additional labour is required.
- (iii) The introduction of an element of permanence in the status of the workers will pave the way for the removal of a great deal of discontent that exists among the workers at the present time.
- (iv) In any scheme of control of labour supply, it would be necessary to secure the co-operation of the Labour Unions.

10. *Moopans' Remuneration.*

The remuneration of the moopans should not be by means of deduction from the wage rates of the workers.

11. *Contract System.*

- (i) Items of work carried out through the engagement of contractors should be reduced to the lowest possible extent.

- (ii) Wherever contract work is found to be unavoidable, the following conditions should be laid down:—
- (a) The management should assume the responsibility for securing fair and reasonable conditions of work for contract labour;
 - (b) Until the Trade Boards Act comes into force, the management should fix a minimum wage for the workers;
 - (c) The management should exercise adequate supervision of the payment of wages;
 - (d) There should be a right of appeal to the management by all contractors' employees on all subjects, including wrongful dismissal.

CHAPTER III.

Wages.

12. *Time Wage.*

- (i) The introduction of a time wage does not seem to us to be practicable before the whole industry is organized on better and sounder lines.
- (ii) The Board does not feel justified in recommending that the piece work system which has come into vogue throughout the industry should be interfered with at the present time, at any rate, not before the various other improvements that are urgently called for are brought about.

13. *Standardization of Wage Rates.*

- (i) Wide disparities in wages paid to workers employed in similar types of work are a potential source of danger to peace in the industry.
- (ii) One essential step towards the proper organization of the industry is the removal of the striking disparities in wage rates which cannot be accounted for on a rational basis.
- (iii) A standardization of wage rates may have to be preceded by an attempt at a standardization of grades, methods and processes.
- (iv) The standardization of wage rates will necessarily involve some form of minimum wage fixation.
- (v) The rates should be standardized according to districts or centres of the industry.

- (vi) It may be practicable to classify the workers according to age and skill, with a different rate per hour to apply to each class and actual piece work rates may be fixed at a figure which would produce an amount not less than the hourly rates fixed by a wage fixing machinery.
- (vii) Standardization of wage rates will have to be accomplished by the co-operation of the employers and the workers, with the assistance of a wage fixing machinery which should be constituted on a statutory basis and function on the lines of the British Trade Boards.
- (viii) As immediate action is necessary in regard to standardization of wage rates, the Board recommends the appointment, as early as possible, of a special committee, to deal with the matter, the committee consisting of an equal number of representatives of employers and workers with an independent Chairman.

CHAPTER IV.

Payment of Wages.

14. *Payment of Wages in Kind.*

- (i) The practice of paying the whole or part of the wages of the workers in kind, in the form of rice, provision etc., from the shops kept by the factory owners or by their relatives or dependents prevails to an appreciable extent in the industry.
- (ii) So far as the Board has been able to ascertain, most of the factories of standing and respectability in Alleppey pay wages in cash. The system of payment in kind exists mostly in the factories working in the country side. There are some factories in Alleppey also which pay wages in kind.
- (iii) The system of payment of wages in kind is open to gross abuses.
- (iv) The loss that labour sustains by getting the wages in kind is variously estimated as ranging from 12½ per cent. to 25 per cent.
- (v) The system of payment of wages in kind should be abolished by statute.

15. *Payment of Wages at Irregular Intervals.*

- (i) Most of the small factories, particularly those in the districts, pay wages at long and irregular intervals.
- (ii) The well-conducted factories pay wages once every week.
- (iii) The regular payment of wages in cash at periods not longer than a fortnight should be made obligatory by law.

16. *Fines*

- (i) The enquiry did not disclose any wide prevalence of the practice of levying heavy or unjust fines on the workers.
- (ii) Deductions from wages made on account of damage to or loss of goods should be distinguished from fines.
- (iii) Provision should be made regulating the imposition of fines and making other deductions from wages; *e. g.*,
 - (a) Fines should not be imposed arbitrarily, but only in respect of such acts or omissions as are specified previously by rules and before a fine is imposed the defaulter should be given an opportunity for showing cause against the fine ;
 - (b) There should be a maximum limit of fine in a wage period in relation to the amount of wages earned by the worker—say one chukram in the rupee.
 - (c) No subordinate should have the power to impose a fine.
 - (d) Cases which call for the imposition of a fine should be reported to the management or to a responsible officer of the factory and any fine imposed by such officer should be subject to confirmation by the management.
 - (e) No subordinate concerned with the imposition of a fine should have an interest in the amount to be recovered.
 - (f) All fines recovered from wages should be applied only to purposes beneficial to the employees as a whole.
 - (g) As regards deductions on account of damage or loss, the recovery should not exceed the value of the article damaged or lost.

- (h) If an article is damaged, its entire cost should not be recovered, but only the amount of loss sustained by the employer.
- (i) Before ordering a deduction, the person charged with the neglect or default should be given an opportunity to show cause against the deduction.

17. *Exactions.*

- (i) Various kinds of unjust and illegal exactions are made from the workers by the moopans and other subordinates who are entrusted with the supervision of labour in the factories.
- (ii) It is the duty of the factory owners to put down with a strong hand all unjust exactions from the workers made by their subordinates.
- (iii) The Coir Factory Workers' Unions should take disciplinary action against any member who is convicted of having offered a bribe for getting a personal advantage.
- (iv) All the exactions complained of are the outcome of the power and influence of the moopans and only a curtailment of this power and influence can improve the situation.
- (v) The moopan should not be left to himself in the engagement and dismissal of labour.
- (vi) In the larger factories, the power of engagement and dismissal of labour should be vested in a superior officer who will be directly responsible to the general manager. Where it is not possible to entrust this duty to a special officer, the employer himself or the manager of the factory, should retain complete control of engagement and dismissals.
- (vii) The allotment of work by moopans should be supervised.
- (viii) The moopans should have no hand in the disbursement of wages.
- (ix) Wages should be paid by the office staff with the help of the work and attendance rolls prepared by the moopans.
- (x) No moopan should have the power to inflict punishments.
- (xi) If he recommends the punishment of a worker, the person concerned should be given an opportunity to show cause against the punishment.

- (xii) Complaints of malpractices should be investigated unless *prima facie* frivolous or malicious.
- (xiii) The special officer or manager or proprietor of a factory should be easily accessible to the workers and should be ready to hear their complaints and remedy their grievances, if found to be genuine.
- (xiv) Special care should be taken to see that the complainants are not persecuted subsequently.
- (xv) Any moopan or other subordinate against whom a malpractice is proved should be dealt with severely.
- (xvi) In the case of bribery, both the man who offered the bribe and the man who received it should be dismissed summarily.
- (xvii) Notices in Malayalam should be put up in conspicuous places in the factory warning that any one found guilty of offering or accepting a bribe or of other acts of misdemeanour will be severely punished.

18. *Dharmavu.*

'Dharmavu' is an unjust deduction from wages. The practice should be given up entirely.

19. *Payment of Wages Act.*

A law on the lines of the Payment of Wages Act (No. IV of 1926) of British India, should be enacted in the State. The main provisions of the proposed Act are given.

CHAPTER V.

Wage Rates and Earnings.

20. *Comparison of Rates.*

- (i) An accurate comparison of the present rates of wages and earnings with those of 1925 and since is all but impossible.
- (ii) Generally speaking, rates have been reduced by 20 to 40 per cent. during the period 1925 to 1939.

21. *Standard of Living.*

- (i) The standard of living of the workers in the district factories is appreciably lower than the standard of those who work in the factories in Alleppey.
- (ii) The average standard of living of the workers in the industry is not satisfactory. Their conditions call for improvement.

22. *Profits of the Industry.*

- (i) The industry had been making good profits up to the year 1927; but at present, it is not making adequate profits.

- (ii) Some factories are now working at a loss.
- (iii) Some factories are working on a narrow margin of profits.
- (iv) Many factories do not know whether they are working at a profit or not and may never know it till they close down, as is shown by the number of those who drop out of the business yearly.
- (v) The claim for 10 per cent. net profits seems to the Board to be rather excessive at the present time ; but in the case of small Indian factories whose capital investments are small, a fairly high rate of net profit might be justifiable.

23. *Rates and Earnings.*

- (i) From the stand point of labour, the whole trouble is not so much about rates as about earnings.
- (ii) Even at the present rates, it is possible, in the bigger factories, for an average worker, if he has full time work for 26 days in the month, to make a minimum of Rs. 12 and a maximum of Rs. 40 per mensem.
- (iii) The average earnings of the labourers are low. The low per capita earning is due mainly to the lack of regular work and the excessive supply of labour.

24. *The Fundamental Problem.*

The fundamental problem is how to find full-time employment for 26 days in the month for a volume of labour just sufficient for the actual requirements of the industry.

25. *An All-round Improvement.*

If the influx of labour into the industry is stopped and the whole industry is organized and controlled on the lines of the Board's recommendations and the various irregularities and exactions are eradicated, a very marked improvement will be brought about in the profits of the industry and consequently in the real wages and earnings of the workers and in their standard of living.

26. *Confirmation of the Temporary Increase :*

- (i) The one-anna in the rupee increase with the factory owners undertook to pay as a temporary measure, at the conclusion of the general strike, should be made permanent. It should be made incumbent on all employers and should also apply to the sorting, re-banking and baling workers in the firms exporting coir yarn.

- (ii) In recommending the confirmation of the one-anna increase, the Board trusts that both parties will agree to the maintenance of the existing rates, pending the standardization of wages.

27. *An Immediate Increase in Rates.*

On the question of an immediate increase in the rates of wages in the existing circumstances, the Board regret they are unable to make an agreed recommendation. But they feel confident that a substantial and, at the same time, permanent improvement in the real wages of the workers will be brought about when measures are adopted implementing their recommendations on such fundamental questions as standardization of wages, limitation of labour supply, payment of wages, rationalization of the industry etc.

CHAPTER VI.

Health and Welfare.

28. *Stencilling.*

- (i) Government should direct the medical officers in Alleppey to investigate whether the workers engaged in stencilling suffer any permanent injury to their health. They should obtain clinical records of the cases of stencillers who come under their treatment and follow up the cases for a number of years. Reliable results can be obtained only if the investigations extend over a long period of time. A beginning should be made as soon as possible.
- (ii) The Research Department of the University may be asked to find out whether the dyes used in stencilling contain any injurious substance and, if so, what antidotes should be used to ward off the effect of the poison. They should also try to find out a process by which the dyes can be completely washed off from the hands.
- (iii) The use of gloves may be tried as an experiment, if the workers in any factory ask for them.
- (iv) Ample facilities should be given by the factory owners to the stencil workers to clean their hands with soap and water, before they leave the factory every evening.

29. *Shearing.*

The process of shearing mats by machinery may prove injurious to health, because the flying particles of coir dust are likely to affect the lungs of the operatives. Every shearing machine in use should be compulsorily equipped with a dust extracting plant.

30. *Supply of Drinking Water.*

- (i) When the Alleppey water supply is completed, taps should be laid in every factory to provide an adequate supply of drinking water to their workers.
- (ii) Every district factory should have a well attached to it which should be reserved for the purpose of providing drinking water and be carefully protected from contamination.
- (iii) Drinking water for the factory workers should be drawn and kept in clean earthenware pots at the expense of the employers.

31. *Latrines.*

- (i) The practice of having the open spaces around the factories to serve as latrines and urinals is highly insanitary and should be put a stop to.
- (ii) Latrine accommodation separately for men and women should be provided in every factory.
- (iii) Sufficient number of latrines and urinals should be provided in every factory and should be kept in a clean and sanitary condition.

32. *Ventilation.*

- (i) The complaint that the workers have to work under heated zinc sheet roofs is not of much moment.
- (ii) Ventilation in the district factories is exceptionally good. The town factories are at a disadvantage in this respect, but the situation is not so serious as to call for any drastic remedy immediately.
- (iii) In some factories there is much avoidable congestion. There is no justification for the congestion in the district factories. In the town factories, the problem of space is more serious. Congestion can be remedied without much expense.

33. *Sunday Work.*

- (i) The complaint that the workers are often compelled to work on Sundays is true.
- (ii) All factories should be closed entirely on one day in the week, preferably Sunday.

34. *Industrial Relations.*

- (i) In the interests of the employers as well as the workers, closer personal relations should be established between them.
- (ii) There is unfortunately a growing tendency among both parties to consider that the interests of the employers and the workers are irreconcilable.

It is high time, in the interests of peace and prosperity in the industry that this deplorable tendency should be strenuously combated.

- (iii) Labour welfare work should be undertaken in co-operation between the employers and the workers.
 - (iv) The present indifferent attitude of the employers towards welfare schemes should be changed into one of practical sympathy.
 - (v) The Coir Factory Workers' Unions should initiate useful schemes for the welfare of the workers.
35. *The Function of the State and the Municipality.*
- (i) The State and the Municipality should come forward to improve the condition of the workers. Ordinarily their function will be to support and stimulate local effort.
 - (ii) They may open maternity and child welfare centres in localities where the labour population lives.
 - (iii) Better provision can be made for medical relief by the opening of rural dispensaries.
 - (iv) Public libraries and reading rooms may be started.
 - (v) They should also make liberal grants in support of schemes which serve to promote the material and moral welfare of the workers.

36. *Maternity Benefits.*

- (i) The question of providing maternity benefits cannot be tackled without duly considering the employment of women in other industries also.
- (ii) Government should bestow their attention, as early as possible, on the question of enacting a maternity benefit law after due consultations with all interests concerned.

37. *Schools for Factory Children.*

The need for schools for factory children can be met to some extent by voluntary effort, with the practical sympathy and co-operation of the employers.

38. *Scheme of Unemployment Insurance.*

It is not practicable to introduce any scheme of unemployment insurance in the State at present. It will be desirable to be guided by the experience of the working of the schemes of unemployment insurance proposed to be introduced in some of the British Indian Provinces.

39. *Labour Organization.*

- (i) Employers in general are prepared to welcome and recognise properly organised Labour Unions and

- to investigate and rectify any genuine grievance brought to their notice.
- (ii) The Board considers that full co-operation between the unions and the employers is necessary.
 - (iii) It is not to be expected, particularly in Indian conditions, that all the workers or even a majority of the workers in an industry will ever enroll themselves formally as members of a Union. A fair proportion of them, sufficiently well-organized and capable of representing the views and interests of all, is all that is usually required for recognition.
 - (iv) The Labour Unions should spare no pains to instill into the minds of the rank and file that sense of discipline and correct conduct which are so essential for the strength and solidarity of any association working for the common interests of large numbers of people.
 - (v) Every possible effort should be made to make the workers realize that the better ordering and prosperity of the industry should be as much their concern as that of their employers.
 - (vi) They should actively co-operate with the employers and the Government in any steps that may be taken for the organization of the industry.
 - (vii) The Board particularly emphasises that it is absolutely necessary that a calm and peaceful atmosphere should prevail in the industry to enable the Government to adopt the measures so urgently required to improve the conditions in the industry.

CHAPTER VII.

Administration and Statistics.

40. *Enforcement of the Factories Act.*

- (i) The remedy for the unsatisfactory working conditions in some of the factories lies in the strict enforcement of the provisions of the Factories Act.
- (ii) Government should avail themselves of the statutory power conferred on them by Section 5 of the Factories Act and declare all mats and matting factories, where ten or more workers are employed as 'factories' for the purpose of the Act, with a view to improve the conditions of labour in these factories.

(iii) Efficient arrangements should be made to see that the provisions of the Act are observed by the factory owners.

(iv) The health and safety of labour depend to a large extent on the regularity and efficiency of the inspection of the factories.

(v) Considering the increasing importance of labour questions in the State, the creation of a separate organization for the administration of the labour laws is necessary. The main features of the organization are the following :--

(a) The State should be divided into three Factory Districts and one Inspector should be appointed for each district.

(b) A Chief Inspector (Labour Commissioner) should be appointed as the central authority to direct and co-ordinate the work of the Inspectors.

(c) The Labour Commissioner should be advisor to Government in labour matters. He should have charge of the administration of all labour laws. He may be the chief conciliator for all major labour disputes. A labour Statistical bureau should be opened in his office. The inspector may be conciliation officer for minor labour disputes in the districts.

(d) The Labour Commissioner should have the status and pay of a major Head of Department and the Inspectors of Factories may be given the rank and pay of Assistant Division Peishkars.

41. *Compilation of Statistics.*

(i) It is highly necessary in the interests of labour, the employers and the industry in general that reliable statistics should be collected, maintained and published by an impartial authority. It will also be a very valuable help to Government in the formulation of labour policy and in the prompt adoption of remedial measures.

(ii) The office of the Labour Commissioner should be responsible for the compilation of statistics. The first attempt should be directed towards the compilation of cost of living index numbers.

CHAPTER VIII.

Control of the Industry.

42. *Decline in Prosperity.*

- (i) The profits of the industry have been falling in recent years. At the present moment some factories are working only at nominal profits, some are working at a loss and some factory owners do not even know whether they are earning profits or incurring losses.
- (ii) Owing to the chaotic conditions in the industry, it is not reaping the advantages to which its well-nigh monopolistic position entitles it.
- (iii) The present unfortunate plight of the industry has to be ascribed chiefly to the unchecked and ruinous competition among the producers who, for the sake of securing business, keep on lowering prices and even sell their goods below cost price.
- (iv) The number of shippers is now considerably in excess of the ability of the industry to support them.
- (v) The operations of undesirable agents in the foreign markets also bring down the prices of the goods.
- (vi) There is acute internal competition with mutual price cutting among the manufacturers. Everybody condemns the practice but nobody is able to renounce it.
- (vii) Those firms whose sole business is the mats and matting manufacture and who refuse to do business below costs suffer and have eventually to wind up their business. The unprofitable concerns struggle on for some time and then they are also obliged to shut down. So long as they last, they do incalculable harm to the industry.
- (viii) In recent years, a large number of men without adequate financial resources or experience of business has come into the industry. This class of manufacturers do a great deal of harm to the industry by their cut-throat competition and irregular practices.
- (ix) There is considerable waste in the industry, both in effort and in money, on account of the preparation of superfluous samples and patterns, or stencils.

- (x) Some manufacturers resort to very reprehensible practices such as trading in different names, pirating of samples, shipping goods below samples and so on.

43. *The Need for Control of the Industry.*

A policy of *laissez-faire* will be disastrous. If competition is allowed to work out its baneful effects, without let or hindrance, all will go under. The urgent need of the hour for the mats and matting industry is the inauguration of a scheme of control with the help and co-operation of the Government.

44. *Two Control Schemes.*

- (i) The scheme prepared by the Indian manufactures is analysed.
- (ii) The scheme prepared by Mr. N. G. Haydon is analysed.
- (iii) A comparative study of the two schemes is made.

45. *Need for Co-operation in the Industry.*

- (i) When distrust and suspicion prevails among those engaged in the industry, it is futile to expect joint action on their part to deal with the problems affecting the industry.
- (ii) Government cannot be expected to protect an industry which is divided against itself.
- (iii) The first requisite is to create an atmosphere which would make co-operation possible.
- (iv) State protection is out of the question, so long as the leading manufacturers and shippers do not put up a joint scheme before the Government.
- (v) Any scheme, to entitle it to Government support, should effectively deal with the whole problem and be calculated to establish the industry on a sound footing and set it on the road to progress and prosperity and should also provide adequate safeguards to protect the interests of labour.

46. *A Critical Examination.*

Some of the salient features of the two schemes are critically examined.

47. *Standardization of Qualities.*

- (i) The chief elements in the standardization of qualities are indicated.
- (ii) A rationalization scheme which does not include standardization of qualities as its ultimate objective will not be worth pursuing.

- (iii) The immediate introduction of standardization of qualities is not advocated, as, on account of the lack of confidence and trust between the European and Indian shippers, the time is not ripe for taking this important step.
- (iv) The Board feels confident that, when the control scheme has worked for some time, the present distrust and suspicion will disappear and the final step of standardization of qualities can be taken with the united assent of the manufacturers and shippers.
- (v) The control scheme should include the setting up of a machinery to guarantee that shipments correspond to the qualities approved by the buyers.
- (vi) It may be considered whether it will not be practicable to entrust the duty of licensing shipments to one who is not a manufacturing shipper, preferably an officer of Government who may be assisted by an experienced manufacturer or a small body of assessors.

48. *Constitution of the Control Board.*

- (i) The claim that the voting strength of the Board members shall be proportionate to the volume of shipments has some justification, as it appears to be necessary for the protection of the interests of the large shippers, European as well as Indian, who are numerically few.
- (ii) It will be worth while to arrive at a compromise on the question of European and Indian representation on the Board of Control.

49. *Mr. Haydon's Scheme—a Basis.*

- (i) Mr. Haydon's scheme may be taken as a basis for the formulation of a revised scheme which should be acceptable to the majority of shippers and manufacturers.
- (ii) The Board is hopeful that there is every prospect for such a scheme being prepared and put through.

50. *A Revised Scheme.*

The Committee that was set up at the meeting of the manufacturers held on the 12th April 1939, should proceed with its work and produce a revised scheme, acceptable to the majority of the interests concerned.

APPENDIX I

Board of Conciliation of Labour Disputes in the Mats and Matting Industry.

QUESTIONNAIRE.

Note :

i. Information will be elicited at the sittings generally on the lines of this questionnaire, which cannot be taken as exhaustive. It will facilitate the work of the Board, if written statements are furnished in advance to reach the Secretary, at Alleppey, before the 1st March 1939.

ii. If you are not in a position to furnish general information, please give the particulars relating to the factory or factories you own or control, or in which you work.

iii. The term 'factory' is used here, not as defined in the Travancore Factories Act, but as understood in ordinary parlance—all premises where the mats and matting industry is carried on.

iv. In case the answers are furnished by the owner or manager of a factory, please mention the name and location of the factory at the top of the answers and affix the signature of the owner or manager at the end.

PART I.

1. What are the usual rates of interest paid by manufacturers and shippers for securing finance for :

- (a) "block" capital,
- (b) current expenses ?

2. What do you consider to be the reasonable profits of an industrial undertaking, considering the monetary conditions prevailing here ?

3. Are you making such profits at the present time ?

4. If the industry is not making profits, what do you consider are the reasons therefor ?

5. Do you consider that the profits earned by the industry have or should have any bearing on the wages earned by the workers ? What should be the considerations taken into account in fixing the wages of the workers ?

6. Are there any 'factors' (i. e., those who are not manufacturers, but merely exporters) in the coir mats and matting industry ? Is a factor a desirable or undesirable distributor ? Give reasons.

7. Do you agree with the following suggestions made by the Travancore Labour Association ? :—

- (a) That there are too many shippers in the mats and matting business ;
- (b) that many of the shippers are unsuited in various ways to manage a manufacturing business satisfactorily ;

(c) that a shipper should, before starting business, deposit a substantial sum Rs. 5,000 with Government or some body approved by Government, as guarantee of his financial stability and on which unpaid wages should be a first charge in case of insolvency.

8. How many sq. feet of mats and sq. yards of matting have you purchased from other manufacturers during the last three years? State the average price per sq. ft. and per sq. yd. Are these prices lower or higher than those you would have incurred, had you manufactured the goods yourself? And to what extent per cent?

9. Do you approve of legislation being introduced for the following objects:—

- (i) Fixation of wages by the Institution of Wage Boards, like those under the Trade Boards Act in England;
- (ii) Payment of wages, similar to the Act in British India;
- (iii) Maternity benefit;
- (iv) Unemployment insurance?

10. What advantages has a town factory over a country factory and vice versa?

PART II.

11. On what basis is the rate for piece work fixed?

12. Are any variations made in piece rates due to intricacies of manufacture, design etc.,?

13. Are workers aware of the rates to which they are entitled? Is a notice board, showing the rates, put up in each department?

14. When fines are imposed, are the workers concerned informed of the matter then and there?

15. What are the processes or classes of work for which payments are made not directly but through intermediaries such as *moopans*?

16. Is any branch of work in your factory undertaken by contractors? If so, who fixes and pays the wages?

17. What are the functions of a *moopan*? Is he merely to supervise the work or also charged with the responsibilities of providing the necessary workmen under his control?

18. Do you pay all your *moopans*? If any is not paid by you, how is he remunerated?

19. Are you aware of any practice of *moopans* levying any regular contribution from workers as a *mamool*, at a certain

rate per loom, or otherwise and/or occasional contributions for special purposes? Has this practice existed at any time? If so, what steps have you taken to put a stop to it and with what results?

20. Please describe in detail the system of recruitment and supervision of labour in the coir factories. What steps are taken by employers to verify the reports of the supervising staff regarding the work and conduct of the workers? Are workers given any opportunity to explain their position before dismissal or the imposition of any other punishment?

21. (a) What items of work are given on contract?

(b) Is the employment and dismissal of labour and payment of wages by contractor subject to control by employer?

(c) Are you aware of any abuses connected with the contract system?

22. How are complaints made against the supervising staff by workers, individually or collectively, dealt with by the management?

23. Can you suggest means for combating bribery or other forms of corruption, if any, on the part of supervising staff in the matter of recruitment, supervision, punishment by fines, suspension, etc?

24. Are you aware of employers requiring the gratuitous services of workmen in their factories? Can you cite specific instances? Are workers penalised for not rendering such service? If so, in what way?

25. Are workers paid any bonus? If so, are such payments regularly expected by the workers? Was any bonus given and discontinued so as to affect the real wages of workers? Are any other employees of factories paid bonuses?

26. Are you aware of the prevalence of a system of payment of wages in kind in any centre where the coir mats and matting industry is carried on? Is the system resorted to in any factory within the municipal limits of Alleppey, or outside? If so, what is the effect of such practice on wages as a whole?

27. Have you in the past, at any time, paid wages other than in cash? What is your practice at present?

28. Have you at all times paid wages weekly? If not, at what intervals do you pay wages?

29. What is the extent of your wage debts of more than one month's standing?

PART III.

30. Do you find any variation in the cost and the standard of living of the workers in the factories in your locality since 1929?

31. Do you think the prevailing rates of wages in the mats and matting industry, in your locality sufficient to enable workers to maintain working efficiency and a reasonable standard of living? If not, what adjustments do you consider should be made? Please support your answer with facts and figures?

32. Do you consider a minimum rate of wages may be prescribed for all or any classes of work in the factories in the industry? If so, on what basis would you fix the minima for the different classes of work and what minima rates do you suggest for the various classes of work? Do you think the rate should vary district by district? What machinery for fixing wages do you suggest?

33. What do you think would be the effect of fixing minimum wages, if it has the result of an all round increase, in the matter of migration of outside labour into Alleppey or the migration of the industry from Alleppey to places, where labour is cheaper? How would you combat these reactions?

34. Is the coir mats and matting industry as at present organised, in a position to employ labour regularly, and for maximum number of hours prescribed in the Factories Act? If not, why? And what means would you suggest for providing regular full time work?

35. Do workers in coir factories in the municipal limits of Alleppey take up work in the industry situated outside on lower rates of wages, when they are not able to find employment in the town?

36. Can the Labour Union prevent such conduct on the part of members of the union? How can they similarly prevent labourers who are not members of the Union?

37. Are you in favour of the enactment of a Minimum Wages Act for the whole coir mats and matting industry in Travancore. Would you extend it to other industries?

38. It is possible to enact a Minimum Wages Act under the existing industrial organisation? If not, what are your reasons? What measures would you propose to facilitate the introduction and satisfactory working of such legislation?

39. Have you any proposals to place the coir mats and matting industry on a better footing with a view to improving the condition of workers and owners of factories?

PART IV.

40. Prior to the Factories Act, what were the hours of work in your establishment? What are they now?

41. How many hours a week do workers on daily wages work,

42. To what extent do regulations regarding hours of work bind piece workers ?

43. Do operatives in the factories arrive punctually and work regularly when there is sufficient employment ?

44. Do they absent themselves from the factories ;

(a) with permission, or

(b) without permission ?

45. When there is not sufficient work to keep all plant occupied, is there a practice of retaining certain workers always, or of giving a rotation of work, so as to ensure that as many as possible receive partial employment ? Please state the practice in your factory ?

46. What do you think are the advantages or disadvantages of the above two methods to :—

(a) employers, and

(b) operatives ?

47. Are there periods when no looms or only some looms are working ? What are the causes of looms standing idle ?

48. Do you pay any extra allowance for night work ? If so, how much ?

49. Do you, on occasions, work in shifts ? In which case, do you pay anything extra for night work and if so, how much ?

50. Do you give a holiday, one day in seven ? Can this be proved from your books ?

51. Is there, in your factory, a practice of paying a bonus for regular attendance or good turn-out ? If the practice has been discontinued, please state why ? Is the practice available in other industries ?

PART V.

52. Are arrangements in factories in regard to health and sanitation of workers satisfactory now ? Have you applied the provisions of the Factories Act to all your premises, whether they come under the Factories Act or not ?

53. It is stated in the Memorandum submitted by the Travancore Labour Association (now registered as the Travancore Coir Factory Worker's Union) that certain classes of work in the coir factories affect the health and safety of workers and involve risk of life. What are your views and, if the statement be true, what remedies would you suggest ?

54. Are accidents frequent ? Please give a classified list of accidents which have occurred in your factory during the past three years, stating their nature and cause. State also whether any assistance or compensation has been given in such cases,

If so, does this depend upon whether the accident was unavoidable or whether it was the result of carelessness or disobedience?

55. Are the provisions made in factories to prevent accidents satisfactory? If not what are your suggestions?

56. Are babes brought to your premises by parents? If so, what provision do you make for their accommodation?

57. Has the Travancore Coir Factory Workers' Union or any other labour association undertaken any "welfare" schemes for labourers? If so, please describe them.

58. What is your attitude towards welfare schemes? Have you individually or jointly with others made any effort towards the amelioration of the condition of the workers? Have you contributed to the funds of the Travancore Coir Factory Workers' Union?

PART VI.

59. Describe briefly, the general industrial relation in the industry. How are strikes occasioned? How are disputes settled? To what extent is there influence from non-workers which result in friction between workmen and employers? Has the intervention of non-workers, at any time, brought about better relationship between employers and workmen?

60. Have you had any strike of your employees during the last 10 years? How did the dispute arise? How was it settled?

61. Was there any strike which was wholly or partially due to causes other than industrial disputes?

62. Is the Travancore Labour Association (Travancore Coir Factory Workers' Union) or any other Labour Union in Travancore sufficiently well organised to resist influence from "outsiders"? Do they concentrate their attention on the improvement of industrial relations?

63. Do you think that the Travancore Coir Factory Workers' Union is sufficiently strong and effective? If not, what suggestions have you to make to render the Union stronger and more effective?

64. How many of the workmen employed in the coir mats and matting industry are members of your Labour Union with their names, addresses and occupation entered in your register?

(The offices of the Labour Unions are requested to supply this and the next information.)

65. How were the funds of your Union or Association, from the very inception, expended during the past 5 years? What balance remains? What is the weekly or monthly collection?

66. Is there any Employers' Association in Alleppey or elsewhere in Travancore connected with the coir mats and matting industry?

67. Have you recognised the Travancore Coir Factory Workers' Union in your area? If not, state reasons.

68. Has the Travancore Labour Association, the Travancore Coir Factory Workers' Union or any other labour organisation ever approached you at any time concerning labour disputes or complaints in your factory? What response did you make on such occasions?

PART VII.

69. If your premises are outside Alleppey, what do you pay for transport to Alleppey:

per roll basis 4/4,

per dozen basis No. 3 size, and

per candy of yarn?

70. How do you dispose of your goods:

(a) by local sales,

(b) by shipments?

If by local sales, to whom do you sell?

71. Do you employ one or two weavers per 4/4 matting loom?

72. What are your trading debts of more than three months' standing?

73. Do you maintain proper books? Are they regularly audited and by whom?

74. Have you during the past ten years paid income-tax? If not, have you ever been called upon to submit income-tax returns?

75. Do you pay cash for your yarn on delivery?

76. Are you in favour of enhancing the tariff on coir yarn? State your reasons for or against.

77. Give a typical list of prices secured now for six popular lines and also the prices for the same in 1929. (These may be referred to as A, B, C, D, E & F to avoid identification.)

78. Have you any other suggestions for the establishment of satisfactory industrial relations in the coir mats and matting industry?

SPECIAL QUESTIONNAIRE.

Addressed to the Travancore Chamber of Commerce and
the Alleppey Chamber of Commerce.

1. Can you give a brief history of the establishment and growth of the coir mats and matting industry in Travancore with special reference to the following points : -

(a) When and where was the first factory started in Travancore ?

(b) Which were the principal markets for the products of the industry in the early stages ?

(c) What changes have taken place during the period of the growth of the industry in foreign countries importing our coir products ?

(d) What are the main features of the industry after the Great War ?

2. Which countries are our present principal buyers ?

3. Are you aware of any foreign countries where coir mats and mattings are manufactured ? If so, give details.

4. Is there any mats and matting manufacturing industry in Cochin and other centres on the Malabar Coast ? If so, what is the size of the industry in those centres ?

5. Do you find any special characteristics which mark the growth of the coir mats and matting industry in Travancore during the past ten years ? If so, what are they ?

6. Can power be employed in weaving mats and matting ?

7. If power is not employed, can you give reasons therefor ?

8. Are there any factors (i. e., those who are not manufacturers, but merely exporters) in the coir mats and matting industry ? Is a factor a desirable or undesirable distributor ? Give reasons.

9. Do you agree with the following suggestions made by the Travancore Labour Association (now registered as the Travancore Coir Factory Workers' Union) ?

(a) that there are too many shippers in the mats and matting business ;

(b) that many of the shippers are unsuited in various ways to manage a manufacturing business satisfactorily ; and

(c) that a shipper should before starting business deposit a substantial sum (Rs. 5,000) with Government or some body approved by Government, as guarantee of his financial stability and on which unpaid wages should be a first charge in case of insolvency ?

10. What are the usual rates of interest paid by manufacturers and shippers for securing finance for :

- (a) "block" capital,
- (b) current expenses?

11. What do you consider to be the reasonable profits for an industrial undertaking, considering the monetary conditions prevailing here?

12. Do you consider all or any of the manufacturers are making such profits at the present time?

13. If the industry is not making reasonable profits, what do you consider are the reasons therefor?

14. Do you consider that the profits earned by the industry have or should have any bearing on the wages earned by the workers? What should be the considerations taken into account in fixing the wages of the workers?

15. Please supply particulars of the total shipments of mats, mattings and coir yarn for the past ten years from the West Coast and state the number of shippers involved each year and the countries to which the shipments were made.

16. Please give a list of exporters who, during the same period, have dropped out of business each year and a list of new exporters who have come into the business each year.

17. Do you approve of legislation being introduced for the following objects :-

- (i) fixation of wages by the institution of Wage Boards, like those under the Trade Boards Act in England;
- (ii) payment of Wages, similar to the Act in British India;
- (iii) Maternity benefit; and
- (iv) Unemployment insurance?

18. Are you in favour of Government constituting a Labour Department to administer, *inter alia*, all labour and kindred social legislation?

19. Are you in favour of the extension of the Travancore Factories Act to the whole of the coir mats and matting industry?

20. Are you in favour of the maintenance of cost of living index numbers?

APPENDIX III.

A SCHEME FOR A BOARD OF CONTROL FOR THE
MATS AND MATTING INDUSTRY.

(Prepared by Mr. N. G. Haydon)

Subject to certain alterations, additions and amendments made
by the meeting of the Rationalization Committee held
at the Travancore Chamber of Commerce
on the 13th March 1939.)*

1. With a view to better organisation and greater efficiency of the Coir Mats and Matting Industry in South India and the development of the export and internal trade on sound lines, the Government of Travancore should be approached to authorise the appointment of a Control Board consisting of all manufacturing shippers—the Board to have statutory powers. Whilst the Board will consist of manufacturing-shippers who manufacture in Travancore primarily, all of whom must be members, it is desirable to encourage to join the Board manufacturing-shippers who have no offices in Travancore and provision should be made therefor. Membership of the Board and compliance with Rules, Regulations and Bye-laws must be binding on members at all their branches whether within Travancore or beyond Travancore borders.

There should be no entrance fee or monthly subscription. The Board should be given statutory powers to levy a fee on all shippers sufficient to meet the expenses of administration, which fee shall be graduated according to the volume of each shipper's shipment.

2. The Board shall be given statutory powers to enable it to fulfil any or all of the objects set forth below and for this purpose all shipments from Travancore (or despatches through land and back water routes) shall be subject to license by the Board.

(a) To control qualities etc., and to ensure that goods conform to the Board's standards (if and when adopted). The goods shall :—

(i) Bear the Board's registered mark after passing by a competent authority appointed by the Board, and

(ii) Be sold under the Board's standard form of contract (when adopted)

(b) To bring into force standard form of buying and selling contracts.

*The alterations, additions and amendments made by the Rationalization Committee are indicated in italics in the text.

(c) To standardise weights and measures and qualities of raw materials in so far as is necessary for the needs of the coir mats and matting industry.

(d) To eliminate adulteration of yarns by spinners and others and to encourage fair dealings.

(e) To standardise wages according to the district in which factories are situated and rates at levels fair to the labourer, to the manufacturer and to the consumer.

(f) To eliminate wasteful practices.

(g) To protect members' designs and processes.

(h) To maintain contact with labour and recognised labour unions.

(i) To encourage amalgamation of existing businesses and any other steps calculated to eliminate wasteful overhead charges and unreasonable competition.

(j) To take steps to ensure that all shipments are made under shippers' own shipping marks, and/or buyers' recognised marks, which shall be registered with the Board.

(k) To devise suitable means for the disposal of salvaged cargo and goods below standard.

(l) To secure legislation ensuring payment of wages in cash and weekly at all factories and to co-operate in taking steps to preclude evasions of the Factories Act, or any other labour legislation.

(m) To do all such other things as may enhance the reputation of members and their products and encourage sales in all markets at prices which show a reasonable return to the manufacturing-shipper.

(n) To govern the issue of new qualities and designs at regulated periods and in quantities adjusted to the reasonable progressive needs of the trade.

(o) To provide for appointment of official arbitrators in the worlds' markets.

(p) To confine sales of members of the Control Board to buyers who confine their purchases to members of the Control Board and/or to grant special facilities and prices to buyers who confine their purchases to the members of the Board. Powers to confine purchases of members of the Board to those who confine sales to members of the Board. Notwithstanding this, members of the Control Board may sell to or buy from other members of the Control Board.

(q) *To issue licenses to or to withhold from such persons who, not already manufacturers, are desirous of becoming manufacturers and who shall satisfy the Board that they are reasonably equipped financially and otherwise to become manufacturers,*

In view of the fact that plant capacity already exists equaling double the quantity of highest shipments ever made in any year, such licenses should be withheld for a period to be decided. Cottage manufacturers, notwithstanding, should be exempted from the necessity of holding a license.

(f) To negotiate with the distributing agencies of the industry in the United Kingdom and/or in the other distributing centres for the formation of an Association of Distributors, for the rational organisation and development of sales and the general welfare of the industry.

3. The Board composed as it will be of all manufacturing-shippers should control the industry, the safeguard of individual members should lie in the voting majority required to pass any rule, regulation or bye-law, or to bring into force any scheme of control or marketing, and in the right of appeal to independent arbitrators appointed by the Board. Provision should be made for arbitration fees.

4. Schemes which the Control Board would be empowered to formulate and, if approved by the Board, to assist financially, should be for any one or more of the following purposes:—

- (1) Technical or scientific research.
- (2) Market investigation and research.
- (3) Publicity and similar methods of increasing consumption.
- (4) The collection and distribution of statistical and other information.
- (5) The establishment, registration and licensing of standard trade marks.
- (6) The examination, grading and certification of goods.
- (7) *The Committee of the Control Board should be empowered to negotiate, on behalf of manufacturing-shippers in Travancore, agreements with producers and/or distributors in other industries or in other countries. Such schemes would have to be approved by a general meeting of the control Board before coming into operation. The operation of such agreements shall be subject to the provision that:—*

This is not an alteration in the original scheme but only a re-arrangement of paragraphs, paragraph 11 thereby becoming paragraph 7 and paragraphs 12 forward have been renumbered.

to negotiate, on behalf of manufacturing-shippers in Travancore, agreements with producers and/or distributors in other industries or in other countries. Such schemes would have to be approved by a general meeting of the control Board before coming into operation. The operation of such agreements shall be subject to the provision that:—

(a) The powers of the Control Board under this paragraph should be limited to schemes for the general benefit of the manufacturing industry or for safeguarding or expanding the internal or export trade generally.

(b) The provisions of any general scheme and the amount of the levy on shipments to finance it should be approved by the Board in general meeting, before the levy is imposed.

5. In order to carry out its functions properly the Board should keep registers of manufacturing-shippers as defined in the Bill.

6. In order to satisfy itself that schemes submitted to it are not likely to injure the interests of any section or adversely to affect the export trade, and in view of its responsibility for supervising schemes in operation, the Committee of the Board should have power if necessary to obtain information from all firms and persons coming within the scope of the Bill with regard to productive capacity, output, deliveries, wages and attendance registers. Provision should be made enforcing secrecy on Committee and staff.

7. The Committee of the Board should set up from among its members, but with power to co-opt persons with suitable special knowledge a development Sub-Committee, to examine or formulate, in the light of representations from registered members, or as the result of the market research undertaken by the Board, plans for developing the export and internal trade, and to make recommendations to the Board for this purpose.

8. For the purpose of this Bill, the Control Board will consist of all manufacturing-shippers of coir mats and mattings.

Scope of Bill.

Coir Weaving—means the manufacture of woven fabrics with or without pile from any yarns commonly used in coir weaving factories—coir, sisal, aloe, jute, etc., or a mixture of any of these, including the preparation of warp and weft for the loom, the examination and bundling of such fabrics and operations incidental to the said manufacture, preparation, examination or bundling.

Coir Weaving Mill—means any premises used or appropriated for use, by way of trade for coir-weaving—not less than 10 looms.

A Coir Manufacturing-shipper—means a person carrying on the business of a coir weaving mill, who regularly ships and has shipped during the preceding 12 months coir mats and matting whether or not in conjunction with any other business.

A Factory Shipper—means a person or company who is not himself a manufacturer nor a consumer of coir mats and mattings but who buys goods from a manufacturer and resells them.

A Manufacturer means a person or company who manufactures coir mats and mattings but does not himself make shipments.

A Cottage Manufacturer—means a manufacturer of coir mats and mattings who is not a shipper and who owns not more than 10 looms.

9. All firms and persons, who have during the past 12 months both manufactured and shipped coir mats and mattings have to be registered in the Control Board's register and such persons shall be eligible for membership and to make shipments hereafter.

Notwithstanding the foregoing, it shall be permissible for any firm desiring to become a manufacturing shipper, after the passing of the Act, to do so by purchasing the goodwill and rights of existing businesses.

Provision should be made that new firms desirous of becoming manufacturing-shippers without acquiring existing businesses should be permitted so to do, providing they satisfy the following conditions:

(1) Shall possess a factory containing at least 75 workable looms.

(2) Shall satisfy the Board that they possess sufficient liquid capital to finance the said business.

(3) Shall deposit with the Board a sum not less than Rs. 50 for each loom possessed with a maximum of Rs. 10,000 (or unencumbered securities to that value). Such sum to be invested as a trust fund with the Imperial Bank of India—such deposit should be interest bearing at the Imperial Bank rate; should form a guarantee fund to meet penalties, if any are incurred.

(4) Notwithstanding the foregoing, it shall be permissible for factor-shippers who have during the preceding 12 months operated as factors and shippers to continue such operations provided they deposit with the Board a sum not less than Rs. 2,000 and shall subject themselves to the rules of the Board in all respects.

It shall also be permissible for new factor-shippers to enter the business provided they deposit with the Board a sum of not less than Rs. 5000 and satisfy the Board that they are in all respects suitable parties to act in the capacity as factor-shippers, and will subject themselves to the rules of the Board in all respects. The amount so deposited to be funded similarly to the amount mentioned in the foregoing paragraph. [9. (3)]

(5) Such firms should apply to the Board for sanction to become shippers (which shall not be unreasonably withheld). Applicant to have the right to appeal to Government against an adverse decision of the Board.

(a) Every registered firm or person should be obliged to furnish the Control Board with such information as it may reasonably require for registration purposes.

(b) The Board should periodically and not less than once a year, satisfy itself that all registered firms

and persons are carrying on business in accordance with the definitions and regulations provided in the Bill, and should have power to remove any firm or person from the register if these conditions are not complied with.

10. Each member's voting powers for all purposes should be proportionate to the annual average of his

Voting

shipments for the past 3 or 5 years as may be decided and a majority of 3 to 1 votes should be required to pass any rule, regulation, scheme, or byelaw. Elections should be by majority voting without "3 to 1" restriction.

11. Provision to be made for determining whether an infringement of a rule, regulation, byelaw or scheme has taken place, and if so, the penalties to be imposed, with the right of appeal.

Penalties may take the form of fines, or in default, suspension of licenses, suspension of licenses, or any combination of the foregoing.

Similar provisions to be made with regard to general schemes, for which the Control Board would decide whether an infringement has taken place, and if so, impose a penalty, with a right of appeal.

12. The Government to fix an appointed day, not more than three months after date of enactment. The Control Board to remain in existence for four years from the appointed day.

Duration of Act.

13. The Committee should consist of ten members including the President and shall consist of five members of Indian birth and five of European birth.

Management Committee.

14. The control exercised by the Board and the business of the Board shall be vested in a Committee who in addition to the powers and authorities by these presents or otherwise expressly conferred upon them may exercise all such powers and

Powers of the Committee.

do all such acts and things as may be exercised or done by the Board and are not hereby or by statutory law expressly directed or required to be exercised or done by the Board in General Meeting, but subject nevertheless to the provisions of any statutory law and of these presents and to any regulations from time to time made by extraordinary resolution of the Board provided that no regulation so made shall invalidate any prior act of the Committee which would have been valid, if such regulations had not been made.

Without prejudice to the general powers conferred by the last preceding article, and the other powers conferred by these

presents, it is hereby expressly declared that the Committee shall have the following powers:—

(a) To appoint any sub-committee of the members of the Committee or of the members of the Board including individuals from outside and such sub-committee may be permanent or temporary or for special purposes as the Committee may determine.

(b) To delegate, subject to such conditions as they think fit, any of their powers to sub-committees and to make, vary and repeal byelaws or rules for the regulation of the proceedings of sub-committees.

(c) To make, vary and repeal byelaws or rules for the regulation of the business of the Board, or any department or section of the Board, provided such alterations are confirmed at the next general meeting of the Board.

(d) To enter into arrangement, upon such terms and subject to such conditions as the Committee may deem desirable, for working in conjunction with any board organised for the protection or better development of any branch of trade or commerce that might have a direct or indirect bearing on the coir products shipping industry of India, that may apply to be allowed to work in conjunction with the Board, provided the objects for which such Board is or shall be formed are not inconsistent with the objects of the Board as defined in the enabling Bill.

APPENDIX IV.

A SCHEME FOR THE CONTROL OF THE MATS AND
 MATTING INDUSTRY, PREPARED BY THE
 INDIAN MANUFACTURERS AND SHIPPERS
 AND EMBODIED IN A DRAFT BILL.

Draft of the Travancore Coir Mats and Matting Control Bill

Objects and Reasons.

The coir mats and matting industry of Travancore is a most important industry in the State. The particular variety of coir yarn used in the manufacture is almost a special monopoly of Travancore. However, this trade is being badly spoiled by unhealthy and destructive competition.

The main object of the present Bill is therefore to restrict the opening of further factories and the coming in of new factors. The Bill does not propose to standardise the qualities, or wages, or prices or insist upon 'registrations' or 'trade marks' at this stage, as the Legislature can deal with them later when necessity arises. Restriction of the number of shippers is the immediate remedy suggested for overcoming the present unhealthy competition.

Provision has been made for grant of licenses to all those who are at present engaged in the trade in the same category in which they trade now.

Preamble.

- Whereas it is expedient and necessary in view of the present plight of the coir mats and matting industry of Travancore to provide for the control of the manufacture and export of coir mats and matting and for certain connected matters, it is hereby enacted as follows :

PART I.

Preliminary.

- I. i. This Act may be called the Travancore Coir Mats and Matting Control Act.
- ii. It extends to the whole of Travancore.
- iii. It shall come into force on such date as our Government may appoint in that behalf by notification in our Government Gazette and thereafter remain in force up to the 31st December, 1945, and for such further period as may be specified by our Government after conducting a thorough

investigation in regard to the working of the Act and in consultation with the license-holders from time to time by notification in our Government Gazette.

- II. In this Act unless there is anything repugnant to the subject or context,
- (a) 'Committee' means the person or body of persons elected by the license-holders and approved by our Government by notification in our Government Gazette.
 - (b) 'Factory' means any buildings, shed or premises constructed for the purpose of manufacturing with hand or power looms, coir mats, mattings with or without using jute, wool, and aloe yarn along with coir yarn and or fibre in the manufacture, and preparation of warp and weft and for carrying on allied operations in the process of manufacture of coir goods.
 - (c) 'Owner' means proprietor and/or manager of a factory and also includes an agent of the owner.
 - (d) 'Prescribed' means prescribed by rules made by our Government under this Act.
 - (e) 'Manufacturer-shipper' means a person or firm carrying on the business of a coir factory and who has shipped mats and matting during the twelve months ending June 1939, whether or not in conjunction with any other business.
 - (f) A 'factor' means a person or company who is not himself a manufacturer nor a consumer of coir mats and matting but who buys goods from a manufacturer in Travancore and resells or ships them.
 - (g) A 'Manufacturer' means a person or company who owns more than ten looms and who manufactures coir mats and matting but does not himself make shipments.
 - (h) A 'cottage-manufacturer' means a manufacturer of coir mats and matting and who is not a shipper and who owns not more than five looms and does not employ power and who only employs members of his own family.
 - (i) 'Family' means parents, wife and children, brothers and/or sisters, sisters' husbands and brothers' wives.

PART II.

Manufacturer-shippers, manufacturers, factors, and cottage manufacturers now in the trade to be granted licenses.

- III. Within 90 days from the date of this Act coming into force, all manufacturer-shippers, manufacturers, cottage manufacturers and factors who are already in the trade should apply to the Committee and obtain licenses in accordance with their respective trades, and the licenses so granted shall provide such full particulars as per the rules that might be framed by our Government from time to time under this Act in consultation with and the approval of the Committee elected by the license-holders. All existing manufacturer-shippers, manufactures, factors and cottage manufacturers shall be granted licenses.

Government to appoint the first Committee.

- IV. The Government shall constitute the first Committee to administer this Act and to perform all functions and duties conferred on the Committee under the provisions of the Act, which Committee shall function only for a period of four months by which period the Committee elected by the license-holders shall take over its duties and responsibilities.

Powers of the Committee

- V. The Committee shall have powers:—

- (a) To make necessary rules, regulations and bye-laws for the conduct of business in Committee meetings.
- (b) To issue, suspend or cancel licenses to manufacturer-shippers, manufacturers, cottage manufacturers and factors.
- (c) To prescribe forms of returns and registers, etc., to be maintained by the factories and manufacturers and factors and also specify the period or periods for the submission of such statements and returns as may be required for the purposes of this Act.
- (d) To exercise such control and supervision over factories as provided in the Act.
- (e) To appoint officers for the discharge of duties specified in the Act for purposes of inspection of factories collection of statistics or other information necessary for the guidance of the Committee as may be required for the purpose of this Act and fix their remuneration.

- (f) To fix and levy fees for the issue of licenses.
- (g) To appoint the necessary staff for the office of the Committee and fix their remuneration.
- (h) To call for and obtain information from factories, shippers or factors regarding production, shipment, equipment and other particulars required as per this Act.
- (i) To enforce observance, by all concerned, of the provisions of this Act and other rules and byelaws that may be framed thereunder from time to time and in default to take steps to suspend or cancel the license as provided under sub-clause (b) above.

Registry of Licenses with Customs.

- VI. Any license granted under this Act shall be registered with the Customs in Travancore before shipment of coir mats and matting is effected; and no shipment shall be allowed unless on such registry.

License-holders' Rights.

- VII. (a) All manufacturer-shippers and manufacturers can increase their looms subject to the following conditions only:—
- (i) Every manufacturer-shipper or manufacturer desiring to increase the number of his looms must apply to and satisfy the Committee by furnishing facts and figures that he has immediate need for more looms and obtain necessary sanction.
 - (ii) Any such increase in the number of looms can be sanctioned by the Committee as per Clause (i) above only once in a year provided, however, that such increase does not exceed 10 per cent. of the number of looms already owned or possessed by the applicant.
- (b) It shall be permissible for a manufacturer to become a manufacturer shipper by obtaining a fresh license to that effect, provided that:
- (i) he possesses not less than 50 workable looms and other equipments necessary, and
 - (ii) he satisfies the Committee that he has the necessary finance and knowledge to deal in foreign business.
- (c) A factor shall not open any factory but can purchase the factory and other rights of a manufacturer or manufacturer-shipper already holding a license and shall then only become a manufacturer-shipper, in which case his license as a factor shall be cancelled.

- (d) A cottage manufacturer shall not increase his looms over five but may buy the factory and other rights of a manufacturer or manufacturer-shipper already holding a license, in which case his original license shall be cancelled and he will be given a new license according to his purchase rights.

Right of Appeal to Government.

- VIII. On all decisions of the Committee in regard to granting, suspending or cancelling a license, the party concerned may appeal to our Government within sixty days from the date of receipt of the Committee's order and our Government may, on such appeal, cancel, modify or suspend any order of the Committee.

Inspection of Committee's Records.

- IX. The records of the Committee shall be open to inspection at all business hours by any officer, authorised in this behalf by our Government.

Constitution of the Committee.

- X. The Committee shall consist of eleven persons, six representing manufacturer-shippers of whom two shall be Europeans and the rest shall be Indians, three representing manufacturers, one representing cottage manufacturers and one representing factors.

Licenses.

- XI. License shall be granted only on the following conditions :—

Manufacturer-shipper.

- (a) i. He shall have a factory and a minimum number of mats and matting looms—not less than 25 looms.
 ii. He shall ship goods only on definite orders.
 iii. He shall satisfy the Committee if and when required to do so, that he is receiving in his prices a minimum gross profit of 5 per cent.

Factor.

- (b) i. He shall ship goods only on definite orders.
 ii. He should have made shipments during the preceding twelve months.
 iii. He shall satisfy the Committee, if and when required to do so, that he is receiving in his business a minimum gross profit of 5 per cent.

(c) *Manufacturer.*

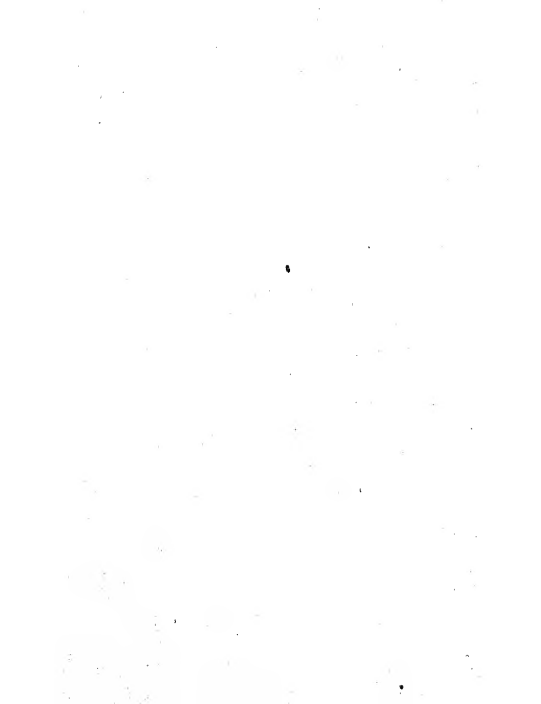
- (i) A manufacturer shall possess more than ten looms.
- (ii) He shall not be entitled to sell goods outside Travancore or make any shipments out of Travancore by sea or by rail or by backwater.
- (iii) He shall satisfy the Committee, if and when required to do so, that he is getting in his prices a minimum gross profit of 5 per cent.

(d) *Cottage Manufacturer.*

A cottage manufacturer shall not possess more than five looms.

XII. *Restrictions on new Factories and Factors.*

- (a) All those who desire to enter into this industry after the commencement of this Act can only do so by buying the rights of existing manufacturer-shippers or manufacturers and not as factors.
 - (b) No person except those who are in the trade already and who possess licenses in accordance with the category in which they are placed shall be permitted to erect any new factory and carry on trade in mats and matting so long as this Act is in force. But a cottage manufacturer shall be granted license at all times provided he possesses only the prescribed number of looms, namely, five and not more. In case the cottage manufacturer increases the number of his looms to more than five, his license shall be cancelled.
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PART III.
STATISTICS.

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PART III.

Report of the Enquiry into the Family Budgets of the Workers in the Mats and Matting Industry.

1. *Introduction.*

Ever since the publication of the Report of the Royal Commission on Labour in India, in 1924, increasing attention has been bestowed, by various Provincial Governments, on enquiries into the family budgets of industrial workers. Bombay took the lead in the matter and its example is being closely followed by other Governments in India.

The object of family budget enquiries is to obtain statistical information regarding the standard of living of a given class of the community by collecting and analysing data relating to the earnings of the families comprising the particular class, the manner in which their income is expended and the extent to which it is sufficient to meet their needs.

Unless such information is available, adequate measures for the improvement of the living and working conditions of the class of the community cannot be devised. In the case of industrial workers in particular, enquiries of the kind will help to gauge how far their standard of living is consistent with the prosperity of the industry itself. Further, family budget enquiries are of special value in the ascertainment of the relative importance of the expenditure on various commodities ordinarily consumed, such as articles of food, fuel, clothing etc. This information is a fundamental requisite in computing cost of living indices which are generally used by employers in the adjustment of wages.

At the very commencement of their work, the Board felt that the lack of statistical information on the standard of living of the workers was a very great handicap in the attempt to arrive at useful conclusions regarding the questions referred to them. They, therefore, proposed to conduct an enquiry into the family budgets of about 1,500 workers in 7 centres of the industry and the Government readily sanctioned the proposal.

2. *Scope of the Enquiry.*

It is estimated that there are about 27,000 workers employed in the coir factories of the State and that about 18,000 families are supported by the industry. The workers are unevenly distributed over an area stretching from Arur in

the north to Kadakkavur in the South. Evidently it was not practicable to include each and every family in the enquiry, nor was it necessary. By confining attention to a selected number of families, sufficiently large and representative, reliable results regarding the general class of workers' families could be obtained. It was therefore arranged to confine the enquiry to about 1500 families in 7 centres of the industry.

There are two well recognised methods of selecting families for inclusion in enquiries of this kind, one being the method of random sampling and the other, the method of purposive selection or representative sampling. The method of random sampling involves the selection at random, say one in a number of families, and practically such randomness could be assumed by preparing a list of all the labourers and ticking off every *n*th name and studying the details of all such families. This method with slight modifications was adopted in Madras, where a list of the labourers was prepared, arranged according to their income or earning in one month and every *n*th man selected. The method of purposive selection pre-supposes some general knowledge of the existing conditions. Keeping in view that the object of the enquiry was primarily the ascertainment of the standard of living and the relative importance of the various items of expenditure, for the purpose of working out cost of living indices, it was decided to adopt the method of purposive selection in this enquiry. Hence certain typical centres of the industry were selected and all the families in any one block of such areas were studied. Seven centres were so selected, *viz.*, Alleppey, Punnappra, Kanjikuzhi, Muhamma, Shertallay, Kuthiathode and Paravoor, (Paravoor representing the tract from Quilon to Kadakkavoor). In some cases it was found to be necessary to select two or more blocks in the same centre and to combine their results, to get a representative selection pertaining to the centre itself.

The schedule adopted for recording information was the same as the one recommended by the Royal Commission and used in Madras, but with certain modifications, to suit local conditions. The form of the schedule is printed as Appendix I to this part of the Report.

3. Collection of Data.

A Statistician and 7 Investigators were appointed to conduct the enquiry and to tabulate the results. The collection and tabulation of data were finished in 3 months. Alleppey being the most important centre, it was finished off first and then the work in the other six centres was carried out simultaneously. In the beginning progress was slow; but as experience was gained, each Investigator was able to record the

details of particulars relating 5 or 6 families each day. All possible care was bestowed on the selection of each area and careful reconnoitring was necessary before the final selections could be made. It is inevitable that in such enquiries numerous errors would creep in, sometimes inadvertently and sometimes by deliberate mis-statement. The Investigators were, therefore, trained to be wary in their methods of approach in individual cases and to correct any observed tendency in the wrong directions, such as understatement of income and overstatement of expenditure, commonly observed in such enquiries. This task required tact and imagination on the part of the Investigators. Here it may be observed that on account of the timely propaganda done by the Coir Factory Workers' Unions in the various centres of the industry, the labourers and the members of their families were generally helpful and ready to supply the information called for. The absence of the labourers from home during day time made it necessary for much of the work being confined to the mornings and evenings.

On the whole, 1423 schedules were filled up; but 14 of them had to be rejected as defective; and so, there were the particulars of 1409 families to be consolidated and studied. Their distribution is shown in the following table:—

TABLE No. I.

<i>Distribution of Families.</i>		<i>Percentage.</i>
Alleppey	515	... 36.5
Punnappra	138	... 9.8
Kanjikuzhi	201	... 14.3
Muhamma	154	... 10.9
Shertallay	186	... 13.2
Kuthiathode	95	... 6.7
Paravoor	120	... 8.6
	1409	100.0

It could not be ascertained what proportion of the total number of labourers' families residing in each centre has been brought under the enquiry. It would be impossible to get this information without conducting a regular census; but the number of families for each centre is certainly representative of the centre itself. Care has also been taken to give each centre its due importance, so that the general average may be taken to be reliable. As a matter of fact, mathematical precision is not necessary in apportioning the 'weights' to each centre in selecting the number of families.

The tabulation of the results was done after each schedule was carefully scrutinized. The families in each centre were kept in separate groups and were sorted out according to total income per mensem, as below Rs. 5, Rs. 5-10, Rs. 10-15, etc., Rs. 40 and above. The families in each income group were again sorted into groups of defined size, viz., 2 members, 3 members, etc. The totals of income, expenditure etc., were worked out for each of the sub-groups which were differentiated from one another in regard to income and size. This detailed process was necessary, because the standard of living has a very close relation to the income as well as to the size of the family. The utmost care was exercised to avoid numerical errors and the work was completed in one month.

In the following sections, the data collected are analysed under various heads, such as size and constitution of family, literacy, marital condition, age distribution, earnings, general expenditure on food, house-rent and miscellaneous items, savings and debts and general conditions of the families.

In the analysis and study of the data collected, we have kept in view the practical requirements of employers and labour organisations in gauging the standard and cost of living of workers in the attempt at the adjustment of wage levels.

4. *Size and Constitution of Families.*

The standard of living of a family has a direct relation not only to the income of the family but also to its size. Families with relatively large incomes may live in hard circumstances, merely because the size of the family is large. In a study of standard of living, the differences in incomes as well as the sizes of the families have to be taken into account. It has been already stated that the primary groups into which the families have been classified are groups of income and, in addition, the families have been classified according to groups of size as well. We shall first consider the average size, the distribution of the families according to size and the nature of the constitution of the families.

TABLE No. 2.

Distribution of families in each centre according to size.

No. of persons per family.	Number of families in centre.								Percentage of families to total in all centres.
	Alleppey.	Pannapora.	Kanjikuzhi.	Muhumma.	Shertallay.	Kuthiathode.	Paravoor	All centres.	
2	32	4	4	6	2	7	7	62	4.40
3	61	20	35	17	23	11	15	182	12.92
4	89	21	29	35	21	16	14	228	16.18
5	94	19	36	27	37	12	30	255	18.10
6	82	29	34	32	38	18	22	260	18.45
7	58	21	23	13	27	14	13	169	12.00
8	60	9	19	9	16	10	11	124	8.80
9	21	7	8	6	8	3	5	58	4.12
10	9	4	6	4	5	4	2	34	2.41
11	10	2	2	5	4	..	1	24	1.70
12	2	..	1	..	1	..	..	4	.28
13	3	..	..	..	..	..	..	3	.21
14 and above.	4	2	..	..	..	..	..	6	.43
Total of sizes.	515	138	201	154	186	95	120	1409	100.00

From the above table, it will be observed that families with 6 members occur more often than any other size and that nearly 50 per cent. of the families have 4 to 6 members, considering all centres together. The proportion of families with more than 12 members is not considerable. If we define families with 2 to 4 members as small-sized, 5 to 7 as medium and the rest as large, it will be observed from the following table that medium sized families preponderate in all centres.

TABLE No. 3.

Percentage of small, medium and large size families in each centre.

Centre	Percentage of families of size:			
	Small.	Medium.	Large.	All sizes.
Alleppey.	35.34	45.43	19.23	100.00
Pannapan.	32.61	50.00	17.39	100.00
Kanjikuzhi.	33.83	48.26	17.91	100.00
Muhanna.	37.66	46.75	15.59	100.00
Fluctallay.	26.34	55.38	18.28	100.00
Kuthiathole.	35.78	46.32	17.90	100.00
Paravoor.	30.00	54.17	15.83	100.00
All centres.	33.50	48.55	17.95	100.00

In considering the average size of families in each centre, it has to be remembered that even though two families may be of the same size, the consuming capacity of the families may differ, because of the differences in age and sex constitution of the families. It is, therefore, usual for purposes of comparison of the consuming capacity of different families to work out the number of equivalent adult males per family, on the assumption that, in point of consuming capacity, one woman is equivalent to .83 of a man, one child of 10 to 14 years of age as equivalent to .83 of a man, one child of 6 to 10 years, as equivalent to .70 of a man and a child below 6 as equivalent to .50 of a man. This scale of ratios is known as the "Lusk" scale and it has been adopted in the Madras studies of working class families. In this enquiry also, the same scale is used in converting the number of members of a family into the number of equivalent adult males. This point has to be particularly borne in mind, when families of different groups are compared in respect of their nutritional standards.

TABLE No. 4.

Showing the average No. of men, women, boys and girls per family, the average size and the total No. of equivalent adult males.

Centre.	No. of families.	Total Number of				
		Men.	Women.	Boys.	Girls.	All persons.
Alleppey	515	952	903	510	517	2882
Pannapra	138	257	258	127	152	794
Kanjikuzhi	201	375	332	197	211	1115
Muhamma	154	273	263	141	165	842
Shertallay	186	354	345	187	197	1083
Kuthiathode	95	182	162	81	99	524
Paravoor	120	222	214	120	95	652
All centres	1409	2616	2477	1363	1437	7898

Centre.	Average per family of					No. of equivalent adult males, per family.
	Men.	Women.	Boys.	Girls.	All persons.	
Alleppey	1.85	1.75	.99	1.00	5.59	4.62
Pannapra	1.86	1.87	.92	1.10	5.75	4.78
Kanjikuzhi	1.87	1.65	.98	1.05	5.55	4.61
Muhamma	1.77	1.71	.92	1.07	5.47	4.50
Shertallay	1.90	1.85	1.01	1.06	5.82	4.81
Kuthiathode	1.92	1.71	.85	1.04	5.52	4.59
Paravoor	1.85	1.79	1.00	.84	5.48	4.54
All centres	1.86	1.76	.97	1.01	5.60	4.64

From the above statement, it will be seen that, considering all the 1409 families together, each family has on the average 5.60 members, but only 4.64 equivalent adult males. The size of families appears to be largest in Shertallay, consisting of 5.82 members and 4.81 equivalent adult males. A mere reference to size without considering the age and sex constitution of the families will be misleading. Each family

has, on the average, 1·86 men, 1·76 women, ·97 boys and 1·01 girls. Among adults, males preponderate and among children, females preponderate.

It will also be seen from the same table that out of 7893 persons comprised by the enquiry, 3979 were males and 3914 females, giving a ratio of 98·36 females for every 100 males. It would be interesting to note that the last census showed practically the same figures, 98·7 females to 100 males of the general population.

TABLE No. 5.

Showing proportion of females to 100 males among adults, children, and all persons in each centre.

Centre.	Proportion of females to 100 males of		
	Adults.	Children.	All persons.
Alleppey	94·85	101·37	97·12
Punnappra	100·39	119·68	106·77
Kanjikuzhi	88·29	107·11	94·76
Muhamma	96·34	117·02	103·38
Sheriailay	97·45	105·35	100·18
Kuthiathode	89·01	122·22	99·24
Paravoor	96·39	80·00	9·64
All centres	94·69	105·42	95·36

The above table shows among adults 94·69 females to 100 males and among children (below 14), 105·42 females to 100 males. In Punnappra, there is a general preponderance of females.

We shall now consider the average size of families, for groups of families of defined income and study whether the size of the family has any relation to income and also whether the proportion of females to males has any relation to income,

TABLE No. 6.

Showing the number of men, women, boys, girls etc., per family in groups of income, the average size and the equivalent number of adult males.

Income.	Number.				
	No. of families.	Men.	Women.	Boys.	Girls.
Below Rs. 5	7	3	8	5	2
Rs. 5-10	342	425	504	271	286
Rs. 10-15	501	816	837	468	511
Rs. 15-20	318	642	595	345	384
Rs. 20-25	131	354	263	156	128
Rs. 25-30	65	212	143	69	75
Rs. 30-35	21	73	56	27	21
Rs. 35-40	14	52	39	20	21
Rs. 40 and above	10	39	27	12	9
All families	1409	2616	2477	1363	1437

Income.	Average per family of.					No. of equivalent adult males.
	All persons.	Men.	Women.	Boys.	Girls.	
Below Rs. 5	18	43	1.14	.71	.29	2.10
Rs. 5-10	1486	1.24	1.47	.79	.84	3.53
Rs. 10-15	2622	1.63	1.67	.91	1.02	4.29
Rs. 15-20	1968	2.02	1.87	1.08	1.21	5.13
Rs. 20-25	906	2.70	2.02	1.20	.98	5.84
Rs. 25-30	499	3.26	2.20	1.06	1.15	6.57
Rs. 30-35	177	3.48	2.67	1.29	1.00	7.22
Rs. 35-40	132	3.71	2.79	1.43	1.50	7.96
Rs. 40 and above	87	3.90	2.70	1.20	.90	7.39
All families	7893	1.86	1.76	.97	1.01	4.64

It is observed that in families of higher incomes, the average size is also larger. It is generally the larger size of families that contributes to higher incomes. It will be seen later, too, that, on the average, there are more earners in larger families.

TABLE No. 7.

Showing the proportion of females to males among adults, children and all persons in families of specified income group.

Proportion of females to 100 males of.			
Income group.	Adults.	Children.	All persons.
Below Rs. 5	256.67	40.00	125.00
5—10	118.59	105.53	113.51
10—15	102.57	111.57	105.81
15—20	92.67	111.20	99.19
20—25	75.71	82.05	77.65
25—30	67.45	108.69	77.58
30—35	76.71	77.78	77.00
35—40	75.00	105.00	83.33
40 above	69.23	75.00	70.59
All families	94.69	105.42	98.36

As we consider families in higher income groups, it is found that the proportion of females is far less than those for families in low income groups. It is not only the large size, but also the preponderance of males that contributes to the increase in the incomes of families.

TABLE No. 8.

Showing the average number of men, women, boys, girls and the equivalent number of adult males in families of different size groups.

Size of family.	Total number of					
	No. of Families.	Men.	Women.	Boys.	Girls.	All persons.
2 members	62	53	63	5	3	124
3 "	182	212	224	59	51	546
4 "	228	326	319	131	136	912
5 "	255	408	421	213	233	1275
6 "	260	502	468	274	316	1560
7 "	169	378	328	238	239	1183
8 "	124	320	284	192	196	992
9 "	58	170	153	99	100	522
10 "	34	111	89	72	68	340
11 "	24	75	79	52	58	264
12 "	4	17	13	10	8	48
13 "	3	16	9	8	6	39
14 and above	6	28	27	10	23	88
Total	1409	2616	2477	1363	1427	7893

Size of family.	Average per family of					
	Men.	Women.	Boys.	Girls.	All persons.	Equivalent No. of adult males.
2 members	.85	1.02	.08	.05	2.00	1.80
3 "	1.17	1.23	.38	.28	3.00	2.68
4 "	1.43	1.37	.63	.60	4.00	3.35
5 "	1.60	1.65	.84	.91	5.00	4.12
6 "	1.93	1.80	1.05	1.22	6.00	4.95
7 "	2.24	1.94	1.41	1.41	7.00	5.74
8 "	2.58	2.29	1.55	1.58	8.00	6.58
9 "	2.93	2.64	1.71	1.72	9.00	7.43
10 "	3.26	2.62	2.12	2.00	10.00	8.16
11 "	3.15	3.29	2.17	2.41	11.00	8.90
12 "	4.25	3.25	2.50	2.00	12.00	9.81
13 "	5.33	3.00	2.67	2.00	13.00	11.21
14 and above.	4.67	4.50	1.67	3.83	14.67	12.12
Total	1.86	1.76	.97	1.01	5.60	4.84

TABLE No. 9.
*Size of family.**

Income group.	Small			Medium.		
	No. of families.	No. of members	Average size.	No. of families.	No. of members.	Average size.
Below Rs. 15	400	1325	3.31	381	2196	5.76
" Rs. 15-30	70	250	3.57	292	1757	6.01
" Rs. 30 and above.	2	7	3.50	11	65	5.90
All groups	472	1582	3.35	684	4018	5.87

Income group.	Large.			All sizes.		
	No. of families.	No. of members	Average size.	No. of families.	No. of members.	Average size.
Below Rs. 15	69	605	8.77	850	4126	4.85
" Rs. 15-30	132	1364	8.97	514	3371	6.56
" Rs. 30 and above.	32	324	10.12	45	396	8.80
All groups	253	2293	9.06	1409	7893	5.60

* Small—2, 3 or 4 members.

Medium—5, 6 or 7 do.

Large—8 and above do.

5. *Workers and Dependents.*

We have so far considered the classification of the members of families according as they are adults or children. Now we shall consider what proportion of the total members of families consists of factory workers, what proportion is engaged in other work and what proportion constitutes dependents. It is assumed that each family has only one chief earner and that he or she is a factory worker.

Earners are classified under the following 3 groups:—

- (1) Chief earners.
- (2) Factory workers other than the chief earners.
- (3) Persons following occupations other than factory work.

All the rest are considered dependents and consist mainly of children. The majority of men and grown up boys come under groups (1) and (2), and of the women, the majority come under group (3) specified above. Of the 7893 persons, 2130 are factory workers, (the number of heads of families being 1409), and 1765 persons do work not connected with coir factories.

TABLE No. 10.

Showing the number of factory workers and persons following other occupations in each centre.

Centre.	No. of families	No. of factory workers.	No. of other workers.	No. of dependents.	Average per family of:		
					Factory workers	Other workers.	Dependents
Alleppey	515	889	280	1733	1.69	.54	3.36
Punnappra	138	193	273	328	1.40	1.97	2.38
Kapjikuzhi	201	277	279	580	1.38	1.39	2.78
Muhamma	154	215	274	353	1.40	1.78	2.29
Shertallay	186	249	332	502	1.34	1.78	2.70
Kuthiathode	95	150	153	216	1.58	1.66	2.28
Paravoor	120	177	169	306	1.47	1.41	2.55
All centres	1409	2130	1765	3998	1.51	1.25	2.84

Each family has, on the average, 1.51 factory workers and 1.25 other workers. The average number of factory workers per family is largest in Alleppey and smallest in Shertallay. The other workers are mainly women and, except in Alleppey, they are engaged in coir yarn spinning. The smallness of the average number of other workers in Alleppey is presumably due to the fact that there are greater facilities for women and children to do factory work in that centre of the industry.

TABLE No. 11.

Showing the number of factory workers, other workers and dependents in groups of families of specified income.

Income group.	No. of families	No. of factory workers.	No. of other workers.	No. of dependents.	Average per family of:		
					Factory workers.	Other workers.	Dependents.
Below Rs. 5	7	7	3	8	1.00	.43	1.14
5-10	342	378	353	755	1.11	1.03	2.20
10-15	501	652	624	1356	1.32	1.24	2.67
15-20	318	522	461	983	1.64	1.45	3.09
20-25	131	237	186	452	2.04	1.42	3.44
25-30	65	157	94	248	2.42	1.45	3.80
30-35	21	61	22	94	2.91	1.05	4.47
35-40	14	41	16	75	2.93	1.14	5.36
40 & etc.	10	35	6	46	3.50	.60	4.60
Total	1409	2130	1765	3998	1.51	1.25	2.84

The average number of factory workers as well as dependents is higher in the larger income groups ; but in the case of the other workers, the average per family is higher in the income group Rupees 15 to 30 per mensem.

TABLE No. 12.

Showing the number of factory workers, other workers and dependents in groups of families of specified size.

Size of families.	No. of families.	Number of			Average per family of		
		Factory workers.	Other workers.	Dependents.	Factory workers.	Other workers.	Dependents.
2	62	68	24	32	1.10	.39	1.51
3	182	218	128	200	1.20	.70	1.10
4	228	298	198	416	1.31	.87	1.82
5	255	343	286	646	1.34	1.12	2.54
6	260	408	378	774	1.57	1.45	2.98
7	169	281	262	640	1.66	1.55	3.79
8	124	232	218	542	1.87	1.76	4.37
9	58	113	137	272	1.94	2.36	4.70
10	34	79	72	189	2.32	2.12	6.56
11	24	54	29	181	2.25	3.21	7.54
12	4	9	12	27	2.25	3.00	6.75
13	3	13	2	24	4.33	.67	8.00
14	6	14	19	55	2.33	3.16	9.13
above							
All.	1409	2130	1765	3998	1.51	1.25	2.84

There is a progressive increase in the number of factory workers per family, as the size of the family increases, except in the last group, where there is a fall. But the number of families with 12, 13, 14 or more members is so small that variations in the averages of these groups should not be taken to have any special significance.

6. Women and Children Workers.

In regard to the women and children working in the factories, the only comprehensive method of tackling the question would be by collecting statistics from the factories themselves. The present discussion is confined to the results of the samples collected ; but how far the samples would be representative of the whole labour population in this particular respect cannot be ascertained with any degree of accuracy.

TABLE No. 13.

Showing the number of chief earners, other factory workers or persons following other occupations who are women boys or girls.

Centre.	Total No. of chief earners in factory work.	Chief earners			Total No. of other factory workers.
		Women.	Boys.	Girls.	
Alleppey	515	60	..	..	354
Punnappra	138	..	..	..	55
Kanjikuzhi	201	1	..	..	76
Muhamma	154	1	..	..	61
Shertallay	186	..	..	..	63
Kuthiathode	95	1	..	..	55
Paravoor	120	5	..	..	57
All centres	1409	68	..	..	721

Centre.	Other factory workers.			Total No. of other workers.	Other workers.		
	Women.	Boys.	Girls.		Women.	Boys.	Girls.
Alleppey	90	20	7	280	150	1	13
Punnappra	..	5	..	273	221	..	28
Kanjikuzhi	4	7	..	279	231	..	18
Muhamma	1	8	..	274	221	4	14
Shertallay	3	10	..	332	256	..	34
Kuthiathode	1	4	2	158	228	1	10
Paravoor	22	1	..	169	102	4	13
All centres	121	55	9	1765	1309	10	130

It is seen that of the 1409 chief earners only 68 or 4·8 per cent. are women and 60 of them are in Alleppey, where they form 11·7 per cent. of the 515 chief earners. So also out of the 2130 total factory workers, only 189 (68 chief earners *plus* 121 others) are women and 150 (60 chief earners *plus* 90 others) of them are in Alleppey. Thus women are employed in considerable numbers only in Alleppey. Among the chief earners, there are no boys or girls and out of the 2130 factory workers, only 55 are boys and 9 girls. But out of the 1765 persons following other occupations, 1309 are women, 130 girls and 10 boys. These women are mostly engaged in spinning coir yarn or in other odd jobs. It will be seen later, that their employment in such work is not in any degree substantially remunerative. The percentage of children to the total factory workers is not appreciable.

7. Distribution of Families According to the Number of Factory Workers in each Family.

TABLE No. 14.

*Showing the number of families in each centre having
1, 2, 3 or 4 and more earners, (factory workers.)*

Centre.	Total No. of families	No. of families with 1 earner.	No. of families with 2 earners.	No. of families with 3 earners.	No. of families with 4 or more earners.
Alleppey ...	515	275	154	65	21
Punnappra ...	138	94	33	6	5
Kanjikuzhi ...	201	138	52	9	2
Muhamma ...	154	99	49	4	2
Shertallay ...	186	135	44	5	2
Kuthiathode ...	95	56	26	11	2
Paravoor ...	120	80	28	9	3
All families ...	1409	877	386	109	37

Out of the 1409 families, 877 (62 per cent.) have only one earner each and 386 (27 per cent.) have 2 earners each, 109 (8 per cent.) have three earners and only 37 families (3 per cent.) have 4 earners or more each.

8. Literacy.

For obvious reasons, children below 6 years of age have been excluded from all groups in working out percentages of literates.

TABLE No. 15.

*Showing the number and percentage of literates in each
centre for all members, excluding children below 6 years.*

Centre.	Total No. of persons.	No. of persons, 6 years and above.	Number of literates.	Percentage literate.
Alleppey ...	2882	2442	995	40.7
Punnappra ...	794	689	308	44.7
Kanjikuzhi ...	1116	966	308	31.9
Muhamma ...	842	720	173	24.0
Shertallay ...	1088	930	333	35.8
Kuthiathode ...	524	482	153	32.8
Paravoor ...	652	578	214	37.3
All centres ...	7893	6772	2489	36.8

Out of the 6772 persons, 6 years of age and above, 2489 or 36·8 per cent. are literate. The corresponding figure for the general population according to the census of 1931 was 28·9 per cent. The comparison is favourable to labourers, but we do not know how far general literacy has advanced in the period following the last census. Alleppey and Punnappra show the highest literacy and Muhamma the lowest.

TABLE No. 16.

Showing the number and percentage of coir factory workers literate in each centre.

Centre.	No. of Chief earners.	No. literate.	Percentage.	No. of other factory workers.	No. literate.	Percentage.
Alleppey. ...	515	301	58·4	354	208	58·7
Punnappra ...	138	118	85·5	55	39	70·9
Kanjikuzhi ...	201	133	68·7	76	45	59·2
Muhamma ...	154	94	61·0	61	28	45·9
Sheriattallay ...	186	153	82·3	63	41	65·1
Kuthiathode ...	95	70	73·7	55	40	72·7
Paravoor ...	120	93	77·5	57	28	50·9
All centres ...	1409	967	68·6	721	430	59·6

In general 68·6 per cent of the 1409 chief earners and 59·6 per cent of the 721 other factory workers are literate. Considering the 2130 factory workers as a whole, it is observed that 1397 or 65·6 per cent are literate, whereas for the total number of persons comprised by the enquiry the literacy figure is 36·8 per cent. Among the other workers and dependents 1092 out of 4642 persons (6 years and above) are observed to be literate, i. e., 23·5 per cent. Thus literacy among coir factory workers is comparatively high.

9. Age Distribution.

The age distribution of any population is a characteristic which is affected by the birth rate, the death rate at various ages, and also the balance left over after migration. Significant differences are often observed in the age distribution of persons following different occupations, some engaging children predominantly, other requiring the services of aged people only, but in the majority of occupations, only persons of prime ages are in demand. A change in the age distribution of a population may indicate a change in any of the rates specified above, viz., birth rate, death rate, and migration rate.

TABLE No. 17.

Showing the number of persons in different age groups among the 7893 persons comprised by the enquiry and the percentage in each group for chief earners, other factory workers, etc., for all centres together.

Age group.	Chief earners.		Other factory workers.		Other workers and dependents.		Total No. of persons.	
	Male.	Female.	Male.	Female.	Male.	Female.	Male.	Female.
0—9	...	...	..	..	889	962	889	962
10—19	107	8	289	46	540	910	936	953
20—29	579	13	247	28	131	706	957	747
30—39	409	19	43	33	78	844	625	396
40—49	199	21	6	16	93	339	298	376
50—59	35	12	5	8	152	260	192	270
60—69	12	...	1	5	169	205	182	210
All groups	1341	68	591	130	2047	3716	3979	3914

Age group.	Percentage of chief earners in each group.		Percentage of other factory workers.		Percentage of other workers and dependents.		Percentage of all persons in each group.	
	Male.	Female.	Male.	Female.	Male.	Female.	Male.	Female.
0—9	..	..	..	...	43.4	25.9	22.3	24.6
10—19	8.0	4.4	48.9	30.8	26.4	24.5	23.6	24.3
20—29	43.2	19.1	41.8	21.5	6.4	19.0	24.0	19.1
30—39	30.5	27.9	7.3	25.4	3.6	9.3	13.2	10.1
40—49	14.8	30.9	1.0	12.3	4.5	9.1	7.5	9.6
50—59	2.6	17.7	.8	6.2	7.4	6.7	4.8	6.9
60—69	.9	..	.2	3.8	8.3	5.5	4.6	5.4
All groups	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

From the above table, it is found that among the male chief earners 73.7 per cent. fall in the age group 20-40 and among other factory workers, more than 90 per cent. are below 30 years of age.

10. Marital Condition.

The following three tables show the number and percentages of single, married or widowed persons, among the chief earners, other factory workers and other workers and dependents in each centre.

TABLE No. 18
Marital condition of chief earners.

Centre.	Number.				Percentage.		
	Chief earners.	Single.	Married.	Widow- ed.	Single.	Married.	Widow- ed.
Alleppey	515	102	368	45	19.8	71.5	8.7
Punnappra	138	46	89	3	33.3	64.5	2.2
Kanjikuzhi	201	80	115	6	39.8	57.2	3.0
Muhamma	154	49	103	2	31.8	96.9	1.3
Sherattalay	186	80	105	1	43.0	56.5	.5
Kuthiathode	96	34	59	2	35.8	62.1	2.1
Paravoor	120	49	67	4	40.9	55.8	3.4
All centres	1409	440	906	63	31.2	64.3	4.5

TABLE No. 19.
Marital condition of other factory workers.

Centre.	Number.				Percentage.		
	Chief earners.	Single.	Married.	Widow- ed.	Single.	Married.	Widow- ed.
Alleppey	354	290	117	7	55.5	33.0	2.0
Punnappra	55	48	7	..	87.2	12.8	0.0
Kanjikuzhi	76	61	13	2	80.8	17.1	2.6
Muhamma	61	58	3	..	96.1	4.9	...
Sherattalay	63	48	12	3	76.2	19.0	4.8
Kuthiathode	55	47	7	1	85.5	12.7	1.8
Paravoor	57	36	17	4	63.1	29.8	7.1
All centres.	721	528	176	17	73.2	24.4	2.4

TABLE No. 20.

Marital condition of the workers and dependents.

Centre.	No. of persons.	Number			Percentage		
		Single	Married	Widowed	Single.	Married.	Widowed
Alleppey .	2013	1210	59 ^a	205	59.9	29.8	10.3
Punnappra .	601	343	184	74	57.0	30.6	12.4
Kanjikuzhi .	839	172	273	94	56.3	32.5	11.2
Muhannua .	627	232	222	123	44.9	35.4	19.7
Shertallay .	834	461	263	110	55.3	31.5	13.2
Kuthiathode .	374	203	134	37	54.3	35.8	9.9
Paravoor .	475	281	146	48	59.1	30.7	10.2
All centres :	5763	3252	1820	691	56.4	31.7	11.9

The above three tables show that out of the 1409 chief earners employed in factories, 31 per cent. are single, 64 per cent. married and the rest widowed. Of these 721 factory workers, not being chief earners, 73 per cent. are single, 24 per cent. married and the rest widowed. Among the other workers and dependents, being mostly women and children, 56 per cent. are single, 32 per cent. married and the rest widowed. The highest percentage of married persons is among the chief earners and the highest percentage of unmarried persons is among other factory workers.

11. *Earnings.**

Sources of income are classified under the following three main heads:—

- (1) Factory labour.
- (2) Other occupations.
- (3) All other sources.

Here it may be observed that the information collected refers to the period after the general strike. It is doubtful whether this period can be considered normal for the purpose of an enquiry of this kind. But, there was no alternative, as information in respect of a more remote period could not be elicited without introducing a considerable margin of error.

* 1. Unless otherwise stated, all figures relating to income and expenditure are per family, per mensem.

2. The amounts are given in Travancore currency.

TABLE No. 21.

Showing the number of families in each centre distributed according to percentage of total income earned from factories.

Centres.	Percentage of earnings from factories to total income.						Total No. of families.
	Below 50 per cent.	50 to 60 per cent.	60 to 70 per cent.	70 to 80 per cent.	80 to 90 per cent.	Above 90 per cent.	
Alleppey	30	35	42	53	80	256	515
Punnapra	13	14	21	28	36	13	138
Kanjikuzhi	22	21	41	60	48	7	201
Muhamma	8	21	40	49	52	7	154
Sherattay	17	14	31	59	54	14	186
Kuthiathode	8	19	16	21	31	4	95
Paravoor	27	25	23	16	16	2	120
All centres	144	141	214	286	299	325	1409

From the above table, it will be seen that in Alleppey 256 out of 515 families get more than 90 per cent. of their income from factory labour, while in Paravoor, 37 out of 120 families get less than 50 per cent. from the same source. In general, only about 10 per cent. of families record below 50 per cent. incomes from the factories. 910 out of 1409 or 64.6 per cent. families get more than 70 per cent. of their incomes from factories.

12. Average Monthly Income.

The average income from all sources per family for all centres together is worked out to be Rs. 14 chs. 17 c. 12 per mensem. Of this, Rs. 10 chs. 20 c. 9 is earned by factory labour, Rs. 2 chs. 13 c. 9 from other occupations and Re. 1 ch. 11 c. 10 from land or other sources.

TABLE No. 22.

Showing the average income from various sources in each centre.

Centre.	Income from all sources.			Income from factories.			Income from other occupations.			Income from all other sources.			Number of families studied.
	Rs.	chs.	c.	Rs.	chs.	c.	Rs.	chs.	c.	Rs.	chs.	c.	
Alleppey	16	8	2	13	16	5	2	0	2	0	19	11	515
Punnapra	14	12	6	10	8	13	2	26	8	1	5	1	138
Kanjikuzhi	11	26	4	8	4	8	2	8	1	1	13	11	201
Muhamma	12	14	3	8	16	1	2	12	0	1	14	2	154
Sherattay	11	3	15	7	27	11	2	9	9	0	22	11	186
Kuthiathode	14	13	7	10	11	6	2	10	13	1	19	4	95
Paravoor	18	9	3	10	12	3	4	8	13	3	16	3	120
All centres	14	17	12	10	20	9	2	13	9	1	11	10	1409

The above table shows that the income from factory labour, per family, is highest in Alleppey and lowest in Sertallay, while the income from all other sources is highest in the area comprised by Quilon, Paravoor, and Kadakkavoor and lowest in Alleppey. The income from factories form 73.3 per cent. of the total income and that from other occupations contribute 17.0 per cent, the remaining 9.7 per cent being from other sources.

How far the income from factories differ from centre to centre as a result of irregularity of employment cannot be inferred from the present enquiry and for this, statistics have to be collected from the factories. The statements made by the workers themselves regarding the number of days per week for which employment is obtained will only roughly indicate this. The following table shows the number of days per week for which the chief earners (per centre) obtain work.

TABLE No. 23.

Showing the percentage distribution of chief earners according to the number of days of employment per week.

No. of days employed	Alleppey.	Ponnasra	Kanjikuzhi.	Muhamma.	Sertally.	Kuthiathode.	Paravoor.	All centres.
1	4	..	..	..	..	..	..	2
2	1.2	..	2.0	.6	.6	..	..	.9
3	11.5	9.4	7.4	3.2	9.7	2.1	3.3	8.3
4	31.1	30.4	32.8	12.3	48.6	18.7	28.3	30.2
5	27.6	31.9	47.8	59.7	29.7	57.9	51.1	38.3
6	22.4	26.1	9.5	22.0	11.4	25.3	17.3	19.3
7	5.8	2.2	.5	2.2	..	1.0	..	2.8
All families	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

It is observed for all centres together that 38.3 per cent. of the chief earners get employment for 5 days a week, 30.2 per cent. for 4 days, and 19.3 per cent. for 6 days, thus making 87.8 per cent. getting work from 4 to 6 days per week.

TABLE No. 24.

Showing the average monthly earnings of a factory worker and the total income per equivalent adult male in each centre.

Centre.	Average income from factory	Average No. of factory workers.	Average per factory worker.	Average income from all sources.	Average No. of equivalent adult males.	Average total income per equivalent adult male.
	Rs. ch. c.		Rs. ch. c.	Rs. ch. c.		Rs. ch. c.
Alleppey	13 16 5	1.69	8 1 1	16 8 2	4.62	3 14 11
Ponnaspra	10 8 13	1.40	7 10 4	14 12 6	4.78	3 0 9
Kanjikuzhi	8 4 8	1.38	5 24 9	11 26 4	4.61	2 16 9
Muhamma	8 16 1	1.40	6 3 8	12 14 3	4.50	2 21 13
Sherthallay	7 27 11	1.34	5 26 14	11 3 15	4.81	2 8 13
Kuthiathode	10 11 6	1.58	6 16 6	14 13 7	4.59	3 4 4
Paravoor	10 12 3	1.47	7 2 12	18 9 3	4.54	4 1 1
All centres	10 20 9	1.51	7 3 0	14 17 12	4.64	3 4 5

The above table shows that even though the average income from factory work per family is Rs. 10-20-9, the average earning of a single worker is Rs. 7-3-0. Considering the income from all sources, the average income available per equivalent adult male is Rs. 3-4-5. The average earning of a labourer is highest in Alleppey and lowest in Sherthallay.

13. Earnings of Women and Children.

The following table shows the proportion of the income from factories and the income from other occupations earned by men, women and children.

TABLE No. 25.

Showing the proportion of income earned by men, women and children.

Centre.	Income from factory	Percent earned by men.	Percent earned by women & children.	Income from other occupations.	Percent earned by men.	Percent earned by women & children.
	Rs. ch. c.			Rs. ch. c.		
Alleppey	13 16 5	88.0	12.0	2 0 2	78.3	21.7
Ponnaspra	10 8 13	100.0	0.0	2 26 8	31.5	68.5
Kanjikuzhi	8 4 8	98.2	1.2	2 8 1	26.1	73.9
Muhamma	8 16 1	96.6	3.4	2 12 0	18.4	81.6
Sherthallay	7 27 11	98.3	1.7	2 9 9	26.2	73.8
Kuthiathode	10 11 6	97.2	2.8	2 10 3	34.1	65.9
Paravoor	10 12 3	96.0	10.0	4 8 13	39.5	60.5
All centres	10 20 9	95.7	4.3	2 13 9	43.3	56.7

Only in Alleppey and the Quilon area do women and children contribute materially to the income from factories. But, in regard to the income from other work, they are the chief contributors.

14. *Distribution of Families According to their Monthly Income.*

Even more important than the average monthly incomes which we have been considering so far, is the distribution of the families according to income, because only this will give us an idea as to the proportion of workers earning below, above, or between specified limits of income.

TABLE No. 26

Showing the distribution of the families in each centre according to income.

MONTHLY INCOME FROM ALL SOURCES IN RS.

Centre.	Below 5.	5-10	10-15	15-20	20-25	25-30	30-35	35-40	40 & above.	All income groups
Alleppey	4	81	163	128	67	35	16	12	9	515
Punnappra	..	26	52	38	18	3	1	..	..	138
Kanjikunhi	3	87	69	26	10	3	2	1	..	201
Muhamma	..	49	77	29	2	2	1	..	..	154
Sherattallay	..	84	75	24	3	..	..	..	..	186
Kothishode	..	14	13	24	9	5	..	..	..	95
Paravoor	..	7	22	49	22	17	1	1	1	120
All centres	7	342	501	318	131	65	21	14	10	409

It will be seen from the above table that Alleppey shows the widest variations in range and in all cases except Sherattallay and Paravoor, the largest number of families come under the group Rs. 10-15. In Sherattallay, the greater number of families earn Rs. 5 to 10 and in Paravoor, Rs. 15 to 20. In general, out of the 1409 families from all centres, 819 or 58.1 per cent. earn Rs. 10 to 20, while only 45 families or 3.2 per cent. earn more than Rs. 30. The uniform and steady variation in the number of families from group to group suggests that, if there were deliberate understatements of income, the errors have been, for the most part, eliminated by the grouping.

15. *General Expenditure.**

In order to obtain an idea of the real standard of living of any section of the population, we have to find out the sum-total of the value of all the articles consumed and of all the facilities provided for the welfare of the people. The greater the number of economic wants satisfied, the higher the standard of life. As already stated the income of the family

* 1. Unless otherwise stated, all figures relating to income and expenditure are per family, per mensem.

2. The amounts are given in Travancore currency.

will give some idea of the standard of life; but even more important is expenditure, being the total of the amounts spent on different articles of food, fuel, clothing, housing and other miscellaneous items. In eliciting information under this head, it was observed that many had a tendency to state their requirements, rather than their present actual expenditure. This tendency was corrected wherever observed; nevertheless a slight element of over-statement of expenditure has to be taken for granted.

We have brought expenditure of all kinds under 5 primary groups. The average expenditure per family for all centres together works out at Rs. 16 chs. 23 c. 9, as against an income of Rs. 14 ch. 17 c. 12, thus leaving a deficit of Rs. 2 ch. 5 c. 13. This deficit is probably mainly due to the fact that the enquiry was conducted in the period following a general strike, when conditions of employment had not quite returned to normal. Partly it may also be due to a slight overstatement of expenditure. However, at the time of the enquiry, conditions must have been hard up and the need for a higher income must have been keenly felt. It may be assumed that the proportions of the expenditure on various items could not have altered materially during this period when compared to those of some time past; for, changes in these proportions would indicate a real change in the standard of living.

TABLE No. 27.

Showing the average expenditure on different groups of items and the proportion of the expenditure on each group of items for all centres together.

Group of items.	Average expenditure per family.			Percentage of total expenditure.
	Rs.	chs.	c.	
Food	12	8	12	73·11
Fuel	0	24	5	5·16
Clothing	1	2	1	6·38
Housing	1	12	12	8·63
Miscellaneous	1	3	11	6·72
	16	23	9	100·00

The second column gives the weights required for the computation of cost of living indices (to maintain the existing standard of living) as variations in the prices of commodities occur in future, and the total expenditure as well as the expenditure on the several items rise and fall with changing prices.

TABLE No. 28.

Showing the average income compared with the average expenditure, at the time of the enquiry.

Centre.	Average Expenditure			Average Income.			Surplus or deficit		
	Rs.	ch.	c.	Rs.	ch.	c.	Rs.	ch.	c.
Alleppey	20	5	5	16	8	2	—	(3	25 8)
Punnapra	17	0	1	14	12	6	—	(2	15 11)
Kanjikuzhy	14	8	12	11	26	4	—	(2	5 8)
Muhattama	14	3	0	12	14	8	—	(1	16 13)
Sherattalay	12	0	5	11	8	15	—	(0	24 6)
Kuthiathode	15	16	0	14	18	7	—	(1	2 9)
Paravoor	18	21	0	18	9	8	—	(0	11 13)
All centres	16	23	9	14	17	12	—	(2	5 13)

The above table shows a deficit in all centres of the industry, the highest in Alleppey and the lowest in the Quilon area. This shows the situation at the time of the enquiry and it cannot continue for long, without the necessary adjustments being made in income or expenditure. It will be shown in a later para that the families have regularly run into debt during and after the strike.

Generally the proportion of the expenditure on food is considered a good index of the standard of life, unless the family is so exceptionally poor. A comparison of the figures in the next table shows that, in general, Alleppey and the Quilon area have a higher standard of life than the other centres. The percentages calculated in the earlier part of the table supply the weights required for the calculation of cost of living indices with varying prices, for each centre.

16. Expenditure on Food.

It has already been seen that out of the general family expenditure, almost 73.11 per. cent. is spent on food. This is evidently an index of the low standard of life of the labourers. In general, it may be stated that as the percentage of expenditure on food increases, the standard of living decreases.

TABLE No. 29.

Showing the average monthly expenditure on various classes of items, and the percentage of total expenditure on each, for the different centres.

Average monthly expenditure on :

Centre.	Food.	Fuel.	Clothing.	Housing	Misc.	All items.
	Rs. ch. c.	Rs. ch. c.	Rs. ch. c.	Rs. ch. c.	Rs. ch. c.	Rs. ch. c.
Alleppey	14 12 5	1 13 3	1 5 10	1 16 2	1 14 4	20 5 5
Punnappra	12 27 12	0 22 4	1 1 9	1 4 12	1 0 6	17 0 1
Kanjikuzhy	10 3 11	0 9 4	1 5 5	1 10 2	1 2 2	14 3 12
Muhamma	10 17 3	0 13 1	0 23 12	1 12 10	0 20 11	14 3 5
Shertallay	9 6 13	0 9 8	0 22 5	0 26 1	0 19 0	12 0 5
Kuthiathode	12 0 6	0 13 1	0 22 4	1 15 1	0 2 10	15 16 0
Paravoor	13 8 2	0 24 14	1 6 4	2 3 5	1 6 8	18 21 10
All centres	12 8 12	0 24 5	1 2 1	1 12 12	1 3 11	16 23 9

* Housing includes house rent and household requisites such as utensils etc.

Percentage of expenditure on :

Centre.	Food.	Fuel.	Clothing.	Housing.	Misc.	All items.
Alleppey	71.48	7.28	5.95	7.81	7.47	100.00
Punnappra	76.27	4.67	6.21	6.88	5.97	100.00
Kanjikuzhy	71.75	2.48	8.41	9.76	7.60	100.00
Muhamma	75.17	3.31	6.01	10.28	5.23	100.00
Shertallay	76.81	2.62	6.80	7.74	5.82	100.00
Kuthiathode	77.15	3.00	5.25	9.88	4.72	100.00
Paravoor	70.80	4.73	6.72	11.29	7.46	100.00
All centres	73.11	5.16	6.38	8.63	6.72	100.00

TABLE No. 30.

Showing the average expenditure on food compared to total expenditure.

Centre.	Average total expenditure.			Average expenditure on food.			Percentage spent on food.			Expenditure per equivalent adult male.					
										Food.			All items.		
	Rs.	ch.	c.	Rs.	ch.	c.				Rs.	ch.	c.	Rs.	ch.	c.
Alleppey	20	5	5	14	12	2	71.48			3	3	8	4	10	6
Pannapra	17	0	1	12	27	2	76.27			2	19	4	3	15	10
Kanjikuzhi	14	3	12	10	3	11	71.65			2	5	9	3	1	14
Muhamma	14	3	5	10	17	3	75.17			2	10	1	3	3	14
Shertallay	12	0	5	9	16	13	76.81			2	0	0	2	13	15
Kuthiathode	15	16	9	12	0	6	77.15			2	17	4	3	11	0
Paravoor	18	21	10	13	8	2	70.80			2	25	15	4	3	12
All centres	16	23	9	12	8	12	73.11			2	18	5	3	17	10

Among the different centres, Shertallay is the poorest in respect of the amount spent on food per adult male, being only Rs. 2 per mensem, while in Alleppey the corresponding figure is Rs. 3 chs. 3 c. 9. Kanjikuzhi, Muhamma and Shertallay have also recorded low expenditure on food. Hence the standard of life in these centres is lower than that of Alleppey and the Quilon area. For all centres considered together, it is observed that the average expenditure on all items, per equivalent adult male is a little more than 3½ chs. per day and the amount spent on food a little more than 2½ chs. per day.

17. *Expenditure on Different Food Commodities.*

It has already been shown that the average amount spent on food per family of 5.60 members (4.64 equivalent adult males) is Rs. 12-8-12 or nearly 344½ chs. and this forms about 73 per cent of the total expenditure which is Rs. 16-23-9 or about 471½ chs. per family, per mensem. As regards the distribution of food costs on various items, only the more important items are considered here.

(i) *Rice.* This item takes up the bulk of the expenditure on food, viz., 44.5 per cent. Mill cleaned rice is consumed invariably. For all centres together, the average amount

spent on rice per family is 153½ chs. But the amounts spent on rice vary as shown below :—

<i>Centre.</i>	<i>Chs.</i>
Alleppey	165½
Punnappra	162½
Kanjikuzhy	135
Muhamma	134½
Shertallay	123½
Kuthiathode	158
Paravoor	185
<u>All centres</u>	<u>153½</u>

The variations noted from centre to centre have to be partly accounted for on the following grounds. First, the difference in the price of rice from centre to centre and secondly, the part that refreshments (inferior tea) plays in the food of the labourers who spend the whole day away from home. This fact is clear from the expenditure on refreshments. For instance, Shertallay which spends least on rice, spends appreciably more on refreshments. Paravoor which spends the highest amount on rice, spends least on refreshments.

(ii) *Refreshments.* About 47 chs. are spent on this item. It is the characteristic expenditure of the factory workers. The amount accounts for 13·8 per cent. of the expenditure on food and 10 per cent. of the total expenditure. The following table shows the amounts spent on refreshments in different centres.

<i>Centre.</i>	<i>Chs.</i>
Alleppey	49
Punnappra	59½
Kanjikuzhy	38
Muhamma	34½
Shertallay	51½
Kuthiathode	61½
Paravoor	35
<u>All centres</u>	<u>47</u>

(iii) *Fish.* The next item in the order of importance is fish on which the amount spent per mensem is about 23½ chs. or slightly more than 12 cash a day. This is the general average. The variations from centre to centre are given below :—

<i>Centre.</i>	<i>Chs.</i>
Alleppey	31½
Punnappra	24½
Kanjikuzhy	16
Muhamma	18½
Shertallay	15½
Kuthiathode	19
Paravoor	24½
<u>All centres</u>	<u>23½</u>

The amount spent on fish constitutes 6·8 per cent. of the total expenditure on food and 5 per cent. of the expenditure on all items.

(iv) *Tapioca*. The next important item consumed by the labourers is tapioca on which the average amount spent is chs. 13 per mensem or a little less than $\frac{1}{2}$ ch. per day. For $\frac{1}{2}$ ch. about a pound of tapioca could be obtained in all the centres at the time of the enquiry. The amount spent on tapioca constitutes about 3·8 per cent. of the expenditure on food and 2·8 per cent. of the expenditure on all items. The expenditure under this item in the various centres is given below :—

Centre.	Chs.
Alleppey	13½
Punnappa	14
Kanjikuzhy	22½
Muhamma	18
Sherallay	10½
Kuthiathode	9
Paravoor	12½
All centres	13

From the statements of the expenditure on the four chief food commodities, it is seen that 38·8 per cent. of the total expenditure on food is spent on rice, refreshments fish and tapioca. Grains other than rice and dhall are used very rarely at all. So also meat which, in very small quantities, is used only in Alleppey. The average for meat, for all centres, is less than 2 chs. per family, per mensem.

(v) *Coconut*. The next item, in the order of importance, is coconut. The average amount spent on coconut is 12½ chs. per family. The expenditure on this item in the various centres is shown below :—

Centre.	Chs.
Alleppey	15
Punnappa	12½
Kanjikuzhy	9
Muhamma	10½
Sherallay	8½
Kuthiathode	14
Paravoor	19½
All centres	12½

The percentage of expenditure on coconut to the expenditure on food is 3·7 and to the total expenditure on all items 2·7,

(vi) *Other food commodities.* The following table shows the proportions of other items comprised under food commodities :—

TABLE No. 31.

<i>Items.</i>	<i>Percentage of expenditure on food.</i>	<i>Percentage of total expenditure.</i>
Chillies	2.4	1.7
Salt	2.0	1.4
Vegetables	2.9	1.9
Sugar and jaggery..	2.9	1.9
Oils	3.9	2.8
Tobacco and beedi	3.8	2.8
Betel	3.3	2.4
Liquor	1.7	1.2
Milk, condiments, tea, coffee, ghee, potatoes, grains.	3.3	2.4

18. *House Rent.*

House rent is really ground rent. In the level sandy tract, the labourers put up small sheds, among the coconut trees. According to the size of the plot occupied, they pay rent varying from Rs. 3 to 3½ chs. per mensem. In the large majority of cases, they pay the rent in services, for instance, watering the coconut trees in the hot season. Taking all the centres into consideration, the average rent paid per family is 25 chs. 4 cash. The percentage of families paying rent in money is 23, paying in services 34.7 and owning houses 42.3.

19. *Miscellaneous Expenditure.*

The following are the main items included under miscellaneous expenditure :—Education, services of dhoby and barber, medical charges, travelling expenses, religious observances, amusements, trade union subscriptions, provident fund contributions, repayment of debt, remittance to dependents etc. These are not primary requisites like food, clothing, housing etc., which cannot be reduced below a certain level. But these can be cut short, dispensed with altogether or increased according to one's income.

Considering all centres together, it is found that 30.8 per cent. families meet expenditure on education, 23.9 per cent. on medical charges, 23.9 per cent. on amusements, 54.3 per cent. on trade union subscriptions, 12.5 per cent. on repayment of debts and 100.0 per cent. on the services of the dhoby and the barber. Travelling, religious observances and remittances to

dependents are of no consequence. In Shertallay 96·8 per cent. of the families subscribe to trade union funds. The Quilon area spends the highest percentage on education and Alleppey, the highest on amusements.

TABLE No. 32.

Showing average expenditure on miscellaneous items per family spending and per family of all families.

Items.	Per family spending.			Per family of all families.		
	Rs.	ch.	c.	Rs.	ch.	c.
Education	0	8	8	0	2	9
Services	0	15	12	0	15	12
Medical charges	0	13	2	0	8	2
Amusements	0	5	13	0	1	6
Trade union	0	3	15	0	2	1
Repayment of debt	0	18	9	0	2	5

20. Savings.

Of the 1409 families studied, only 15 families were recorded as having savings, the average yearly savings per family (having savings) being Rs. 36-chs. 11-c. 7.

21. Debts.

As stated already, the enquiry has had to be conducted shortly after the general strike during which a large number of families must have run into debt. For the most part, they owed debts to shopkeepers for provisions purchased on credit.

TABLE No. 33.

Showing the number and percentage of families in debt and the average debt of indebted families.

Centre.	No. of families.	No. of families in debt.	Percentage of families in debt.	Average debt per family of indebted families.		
				Rs.	ch.	c.
Alleppey	516	466	90·4	39	5	12
Ponnappra	188	136	72·0	32	4	5
Kanjikuzhy	201	161	80·1	63	3	2
Muhanna	154	142	92·2	49	7	13
Shertallay	186	476	94·6	12	10	0
Kuthiathode	95	74	77·8	25	25	0
Paravoor	120	97	80·8	35	8	8
All centres	1409	1252	88·9	39	10	0

From the above table, it is seen that, of the different centres, Kanjikuzhi is the most heavily indebted and Shertallay the least. Among the 1409 families considered, 1252 were in debt, *i. e.*, 88.9 per cent. The average debt per indebted family is Rs. 39 chs. 10 c. 0, and the average debt of the 1409 families is Rs. 34 chs. 27 c. 11. Only 15 families have savings and 145 families, *i. e.*, 10 per cent. of the total number, have balanced budgets.

22. General Living Conditions.

Living conditions of working class people all along the coast present uniform features. The labourers live scattered throughout the coastal tract, though there is a tendency to congregate near the more important centres of the industry, like Alleppey and Shertallay. Nevertheless, it frequently happens that the labourers walk a distance of 6 to 7 miles between home and factory.

In the sandy tract, it is not possible to build strong houses or to maintain protected wells, without incurring considerable expenditure. Most of the families live in small sheds walled and thatched with coconut leaves. They are not always sufficient protection from sun, rain or wind. Only in the Quilon area, there are houses with mud and brick walls. The average number of rooms per house is 2 and the average floor area 235 sq. ft., giving slightly more than 40 sq. ft., per individual. The wells in Paravoor-Kadakkavoor are protected and supply good water, but in the sandy tract, water is obtained from tanks which are invariably unprotected and contain impure water. Overcrowding and insanitary conditions do not yet create special problems, because of the availability of plenty of open spaces. Nevertheless, the organised collective welfare of industrial workers has yet to be planned out. There are no special facilities of residence, education, recreation, medical aid, co-operative purchase and the like provided either by the employers or by the labour unions themselves.

II. Particulars of occupation and income of earning members of the family.

1	2	3	4	5	6	7	8	9
Serial No.	Name of wage earner.	Man, Woman, Boy or Girl.	No. of days of employment per week.	No. of days of unemployment per year.	Description of work.	Monthly wages.	Monthly overtime wages.	Monthly earnings from other sources.
						Rs. Ch. C.	Rs. Ch. C.	Rs. Ch. C.

TOTAL.

Note :—1. Persons under 15 should be treated as boys or girls.

2. Under column 6, specify process of work, e. g., mat weaver, matting weaver, stenciller, binder etc.

3. Under column 7, monthly wages should include all bonuses regularly paid for the work, but not overtime earnings which should be entered separately under column 8.

4. Under column 9, enter earnings derived otherwise than in the regular course of employment.

III. Normal monthly expenditure of family on food.

Article of food.	Quantity.		Cost per month.			Article of food.	Quantity.		Cost per month.		
	Weekly.	Monthly.	Rs.	Ch.	C.		Weekly.	Monthly.	Rs.	Ch.	C.
Rice						Other Condi-					
Other grains						ments					
Dhall						Oils (gingelly					
Potatoes						C. N. etc.)					
Onions						Ghee					
Vegetables						Sugar					
Tapioca						Jaggery					
Fish						Coffee					
Meat						Tea					
Coconut						Refreshments					
Milk						Others					
Salt						Betel and					
Chillies						arecanuts					
Tamarind						Tobacco					
						(chewing,					
						smoking)					
						Liquor					

Total monthly expenditure on food.

Note.—1. State whether the rice consumed is boiled, husked, or mill polished,

2. Specify other grains consumed.

IV. Normal monthly expenditure of family on fuel and lighting.

Particulars.	Quantity.		Monthly expenditure.			Remarks.
	Weekly.	Monthly.	Rs.	Ch.	C.	
Firewood						
Charcoal						
Kerosene oil						
Matches						
Others						

Total monthly expenditure on fuel and lighting.

V. Normal monthly expenditure of family on clothing.

Articles of clothing	No. bought for males per year.	No. bought for females per year.	Cost per year.			Average cost per month			Remarks.
			Rs.	Ch.	C.	Rs.	Ch.	C.	
Mundu (specify quality)									
Thorthu									
Nerlathu									
Pudava									
Shirt, jacket or blouse									
Coat									
Foot-wear									
Head-dress									

Total monthly expenditure on clothing

VI. Other items of expenditure.

Particulars.	Monthly expenditure.		
	Rs.	Ch.	c.
House rent			
Household requisites, e. g. vessels, soaps, thatching and fencing etc.,			
Miscellaneous expenditure :			
Education			
Services (dhoby, barber etc.,)			
Travelling to and from factory			
Medical charges			
Religious observances, feasts, festivals etc.			
Amusements, recreations etc.			
Payment to provident fund, trade unions etc.			
Repayment of debt.			
Remittance to dependents living elsewhere.			
Total monthly expenditure on other items.			

VII. Net results.

Particulars.	Amount.			Remarks.
	Rs.	Ch.	C.	
Total monthly income				
Total monthly expenditure				
Difference between monthly income and expenditure				
Savings, (in a year) and how invested				
Debts, if any, from whom and on what security. Specify rate of interest.				

VIII. Housing conditions.

Structure (flimsy, strong, thatched, tiled etc.)

Surroundings (clean, unclean, crowded, spacious etc.)

Approximate area of floor space (sq. ft.)

Number of rooms

Water supply (protected, unprotected, scarce, plenty, pure, impure etc.)

Latrine (movable, pit, open etc.)

Signature of Investigator

Date



Labour conditions in Factory industries in Alleppey have been engaging the attention of Government for some time past. In the meanwhile, in their letter dated the 23rd February 1938, Messrs. William Goodacre and Sons brought to the notice of Government the possibility of a general strike at Alleppey under the auspices of the Travancore Labour Association as a means of ventilating their grievances and a Government enquiry was suggested with reference to the allegations made by the Labour Association. Government accordingly directed Mr. Chandy, then District Magistrate at Quilon, to conduct an enquiry into the grievances alleged by the factory labourers. The District Magistrate conducted the necessary enquiries, received an elaborate memorandum from the Labour Association enumerating their grievances and suggesting remedies and also replies thereto from the principal employers like the Travancore and Alleppey Chambers of Commerce and finally submitted his report on the 14th September 1938.

2. As a result of this preliminary enquiry, Government were satisfied of the necessity for appointing a committee to enquire into the labour conditions prevailing in the Factories at Alleppey. They accordingly appointed a Committee of enquiry to consist of Mr. K. N. Govindan, the present District Magistrate, Quilon, and two representatives each of the employers and labourers.

3. The Trade Disputes Act, V of 1114, has since come into force with effect from the 25th October 1938, and Government feel that it would be the most effective and appropriate procedure to order a full judicial enquiry into the matter under the provisions of this Act by a Board of Conciliation as contemplated in Section 3 (b) of the Act. Government are therefore pleased to appoint a Board of Conciliation under Section 6 (2) of the Act consisting of Mr. K. George, Land Revenue and Income Tax, Commissioner on special duty, as Chairman and the following four members :—

(1) Mr. N. G. Haydon, nominated by the Travancore Chamber of Commerce to represent the employers.

(2) Mr. N. Sankara Mannar, nominated by the Alleppey Chamber of Commerce to represent employers.

(3) Mr. P. N. Krishna Pillai, nominated by the Travancore Coir Factory Workers' Union to represent labourers.

(4) Mr. V. K. Achuthan, nominated by the Travancore Coir Factory Workers' Union to represent labourers.

4. The Board will enquire into the labour conditions prevailing in the factories at Alleppey with particular reference to the following and other points mentioned in the memorandum presented by the Travancore Labour Association to the District Magistrate, Quilon, in connection with the enquiry conducted by him *viz*:

(1) Standardisation of wages;
(2) The question of payment in kind *viz.*, the truck system;

(3) Imposing restrictions on the establishment of factories with a view to avoid mushroom factories with no capital springing up and prejudicially affecting both employers and labourers; and submit a report to Government, with suitable recommendations for the removal of the grievances of labourers, on the lines indicated in Section 7 of the Trade Disputes Act as expeditiously as possible.

5. It is hoped that both the employers and the labourers will heartily co-operate with the Board and bring its work to a successful conclusion. The Government desire to reiterate that they attach the greatest importance to the speedy settlement of this question, especially in view of their programme of industrialisation which cannot but be based on harmonious co-operation between capital and labour.

(By order)

M. K. NILAKANTA AIYAR,

Ag. Chief Secretary to Government.

To

- (1) Mr. K. George, Land Revenue and Income Tax Commissioner on special duty, and Chairman, Board of Conciliation of the Alleppey Labour Disputes.
- (2) Mr. N. G. Haydon, President, Travancore Chamber of Commerce.
- (3) Mr. N. Sankara Mannar, Honorary Secretary, Alleppey Chamber of Commerce.
- (4) Mr. P. N. Krishna Pillai, President, Travancore Coir Factory Workers' Union.
- (5) Mr. V. K. Achuthan, Ag. General Secretary, Travancore Coir Factory Workers' Union.
- (6) The Financial Secretary to Government.
- (7) The Account Officer.
- (8) The Gazette.
- (9) The Press Room.



Acc: 46933

***Report of the Board of
Conciliation of Trade
Disputes in the Mats and
Matting Industry***

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